

USAID/Paraguay

FY 2000 Results Review and Resource Request

May 18, 1998

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***Excerpts from the Chief of Mission Statement
in the U.S. Embassy's Mission Performance Plan
Asuncion, Paraguay***

Although independent since 1811, Paraguay has had limited democratic experience. The Stroessner dictatorship ended in 1989 and elected civilian leadership dates only from 1993. Key practices such as participation in the selection of leaders, the exercise of civil and political liberties and conducting independent and fair elections have only recently--and imperfectly--been introduced. This is still very much a country in transition. Its fragile institutions have been tested since last fall, when coup-plotting former general Lino Oviedo emerged as the presidential front runner by convincingly winning the Colorado party primary. Since that time, all attention has been focused on the efforts of prominent personalities and powerful political parties to capture power in May's presidential elections. While the elections themselves turned out to be model of democracy in action, the combination of the worsening recession, widespread corruption, and excessive political infighting have also weakened faith in democratic leaders. The U.S. role in supporting democratic institutions by helping them become more responsive and accountable thus remains extremely important.

The Wasmosy administration's successful resistance to the April 1996 coup attempt was followed by military dismissals, retirements and transfers which marginalized anti-democratic elements. The Armed Forces then began to pursue institutionalization and professionalization. A highly-successful U.S.-sponsored dialogue among Congress, key politicians, academics and top military officers to discuss the role of the military in a democracy greatly facilitated that effort.

U.S. assistance to the Electoral Tribunal and to a variety of NGOs contributed to the creation of a new voting roll, recognized as one of the cleanest in the hemisphere. Judicial reform has continued, as the Supreme Court completed the process of naming new judges and prosecutors, approved a revised penal code and is in the final stages of passage of a revised criminal procedures code.

With the election to the Presidency of the Cubas/Argaña ticket, we anticipate friction, between the President and the military leadership should Cubas make good on his campaign promise to pardon Oviedo and return purged officers to active duty. This in turn could require U.S. and Mercosur action to prevent a breakdown in civil-military relations. Tensions may also surface between the Oviedo and Argañista factions; the risk is the new government will focus on day-to-day politics and lose focus on big picture reforms, including U.S. interests in drug trafficking, trade and investment, transnational terrorism and criminal activity, and global population and environmental concerns. It is also possible that a government so closely linked to Oviedo could be actively hostile to U.S. interests. Although we have had influence far in excess of our economic or commercial interests, our small assistance programs will need to be leveraged carefully for best results.

Paraguay has one of the highest rates of deforestation in the world. Our environmental programs aim to help Paraguay develop and implement land use models that will preserve important and unique ecosystems and to develop models of sustainable reserve management. At 3.2 percent, Paraguay also has one of the highest population growth rates in the hemisphere and an extremely high maternal mortality rate. Working with the GOP, our reproductive health program is designed to increase the prevalence of contraceptive methods through expanding access and improving the quality of family planning services.

Progress in each of these areas will contribute greatly to the further institutionalization of democratic norms and values. Much of our ability to effect change will depend on how the Cubas administration goes about consolidating its leadership. Over the next five years we hope to foster more widespread participation in the political process, a continued strengthening of democratic institutions and greater public interest in the underpinnings of a functioning and transparent democracy.

Section I

Factors Affecting Program Performance

*Todo lo que merece ser hecho, merece también
ser bien hecho.*

Anything worth doing, is worth doing well.

André Maurois

Factors Affecting Program Performance

Paraguay's fragile democratic institutions were fully tested this year, especially with respect to the holding of major national elections in May 1998. Political infighting, legal ambiguities and potential coups complicated and often threatened to derail the entire electoral process. The tensions began when retired General Lino Oviedo, charged with an attempted military coup in April 1996, won the Colorado Party primary. President Wasmosy ordered his arrest as a disciplinary action and a long chain of legal proceedings followed. Despite being in jail, the Electoral Tribunal recognized Oviedo as the official presidential candidate for the Colorado party. Government financing of the Electoral Tribunal became precarious; from one week to the next, they could not count on the funds or support to move forward in their plans. Anti-Oviedo factions of the Colorado party proposed postponing the elections. Through each ensuing crisis, the Mission met regularly with officials of the Electoral Tribunal and coordinated efforts with other international organizations and diplomatic missions to maintain pressure on the government to respect the electoral calendar and provide the needed technical assistance to plan the elections. Less than a month before the scheduled elections, the Supreme Court disqualified Oviedo as a candidate. His little-known running mate, Raúl Cubas Grau, became the Colorado presidential candidate and promised to free Oviedo from jail when elected. Many interpret his sweeping victory on May 10 as a victory for Oviedo, a populist with overwhelming support in the countryside. It was a significant and important accomplishment that in spite these problems that the Electoral Tribunal was able to organize and carry out a credible election with an unbelievably high voter turnout.

The Supreme Court devoted considerable effort to the political crisis this year. The Mission focused its limited resources on legislation that will radically alter the country's judicial system. A very tight judicial calendar by both the Supreme Court and Public Ministry prevented the development of a series of planned pilot alternative dispute resolution (ADR) interventions to directly increase overall access to justice and make services more clearly oriented to citizen needs. ADR will be introduced during the upcoming R4 period. Proposed work will be an initial seminar with the Supreme Court to develop ideas for pilot ADR implementation within the existing judicial system and the development of pilot centers outside of the formal judicial system.

The Ministry of Health (MOH) had a sharp budget reduction this past year and was unable to secure contraceptive supplies after the closing of the United Nations Fund for Population Activities (UNFPA). Stolen contraceptives were sold at very low prices. Supplies that had been anticipated by the MOH from other donors were not forthcoming, due to delays in the implementation of these programs. Therefore, the planned couple of years of protection (CYP) target for FY 1997 was not reached. In the future, the MOH will develop a more reliable supply of contraceptives, either from its own budget or through allocations from the other donors. The Mission will rely increasingly on its own social marketing program to provide for CYPs.

Highlights of USAID/Paraguay's Accomplishments

Strategic Objective: Improved Responsiveness and Accountability of Key Democratic Institutions

- Within hours after the polls closed, the Secretary General of the Organization of American States praised the high level of participation and civility of the electorate, the excellent preparation of the pollworkers, and the hard work of the Electoral Tribunal to run the national elections. All political parties accepted the results.
- The national voter registry was improved and expanded in preparation for the presidential elections. Approximately 80% of the eligible population are registered to vote. Paraguay has what is considered one of the cleanest voter lists in Latin America. The number of women registered increased from 780,000 to 925,000 and women now represent 45% of the total voter registry.
- The implementing regulations for the National Health System Law, the first basic piece of decentralization legislation, were issued by Presidential decree. Local Health councils have been set up in 107 of the 220 municipalities throughout the country. These councils are charged with developing local plans which will include the management of resources transferred from the central government.
- After four years of development, the new Penal Code was enacted to replace the outdated Code of 1914. This is the first in a package of key judicial reforms being developed which will dramatically reshape the criminal justice system. It protects fundamental human rights and takes into account modern criminal activities, such as intellectual property rights, technological crimes, and money laundering.
- As a consequence of a successful civil-military dialogue, a joint congressional and military ad hoc commission initiated the study of several key military laws. The first of these, the Military Personnel Statute, was passed into law in September 1997. This law sets new pay scales for military officers and is seen as a fundamental step to professionalize the armed forces.

Special Objective: Improved Management of An Expanded Protected Areas System

- A new local NGO entered into a formal agreement with the Under Secretariat of Natural Reserves, and they jointly developed a workplan to co-manage the country's largest national park, *Defensores del Chaco*, in order to protect 780,000 hectares of a vulnerable ecosystem. This is the first time ever that the Government of Paraguay (GOP) has agreed to work so closely with a local NGO in this area. The next step is the development of a large biosphere reserve in the northern Chaco region of Paraguay.

Special Objective: Increased Use of Voluntary Family Planning Services

- A major new comprehensive social marketing program was launched. It is expected to sell 400,000 condoms during the first year of implementation by marketing its own condom brand at affordable prices through the informal commercial sector.
- The most advanced reproductive health guidelines in Latin America were developed by a team of international and local experts. Implementation has begun by the Ministry of Health (MOH) to assure that quality services are provided.

COMMON OBJECTIVES

* DAC Goals	USG National Interests	Summit of the Americas	Government of Paraguay Targets	USAID/Paraguay Targets
DEMOCRACY Capacity development for effective, democratic, and accountable governance.	DEMOCRACY Increase foreign government adherence to democratic practices and respect for human rights.	STRENGTHENING MUNICIPAL AND REGIONAL GOVERNMENT Increasing citizen participation; improving response and revenue-generating capacity; encouraging constitutional and legal reforms to devolve political, functional, and financial power to the local level; and promoting improved and transparent stewardship of municipal finances.	DEMOCRACY The GOP's social policy is strategically framed in economic development with equity, capacity development of local government as a way of promoting decentralized national services, and community participation in the decision making process.	DEMOCRACY Improved responsiveness and accountability of key democratic institutions; more effective, transparent and participatory elections; participatory and better functioning sub-national governments; and civil-military dialogue supportive of democracy increased.
DEMOCRACY Protection of human rights and respect for the rule of law.	DEMOCRACY Increase foreign government adherence to democratic practices and respect for human rights.	SUPPORT FOR JUSTICE REFORM Establishing a balance system of justice and increasing access to justice, especially for the poor.	JUSTICE Establish mechanisms to clarify, defend, and promote human rights issues. A National Action Plan for the Promotion and Protection of Human Rights will be established.	JUSTICE Increased access to a strengthen judicial system.
ENVIRONMENTAL SUSTAINABILITY National strategy being implemented by 2005 ensuring that current trends in environmental losses are effectively reversed by 2015.	GLOBAL ISSUES Secure a sustainable global environment in order to protect the U.S. and its citizens from the effects of international environmental degradation.	SUSTAINABLE DEVELOPMENT AND CONSERVATION OF NATURAL RESOURCES Partnership in biodiversity and partnership for pollution prevention. Invigorating society/community participation in the conservation of natural resources.	ENVIRONMENT The GOP is developing national strategies for the conservation of natural resources and biodiversity. Legal mechanisms to support the strategy will be improved and institutions implementing signed international agreements related to environmental issues will be strengthened.	ENVIRONMENT Improved management of an expanded protected areas system, improved human capacity to manage and understand importance of protected areas, and economic alternatives to deforestation developed in protected areas.
SOCIAL DEVELOPMENT 1990 maternal mortality reduced by 1/2 by 2005 and by 3/4 by 2015. Primary health care access to reproductive health services, including safe and reliable family planning methods no later than 2015.	GLOBAL ISSUES Protect human health and reduce the spread of infectious diseases and stabilize world population.	HEALTH INITIATIVES Alleviation of rapid population growth which results in shortages, environmental degradation and pollution. Help form a solid, healthy base for the people in the hemisphere.	POPULATION Through a National Plan of Reproductive Health and Family Planning, public health care will contribute in decreasing maternal and perinatal morbidity and mortality rate. Special efforts will be made to decrease population growth and improve family's quality of life.	POPULATION Increased use of voluntary family planning services, expanded access to family planning services; improved quality of family planning services in priority regions, and to have advanced towards the sustainability of family planning services

* Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development

Section II

Progress Toward Objectives

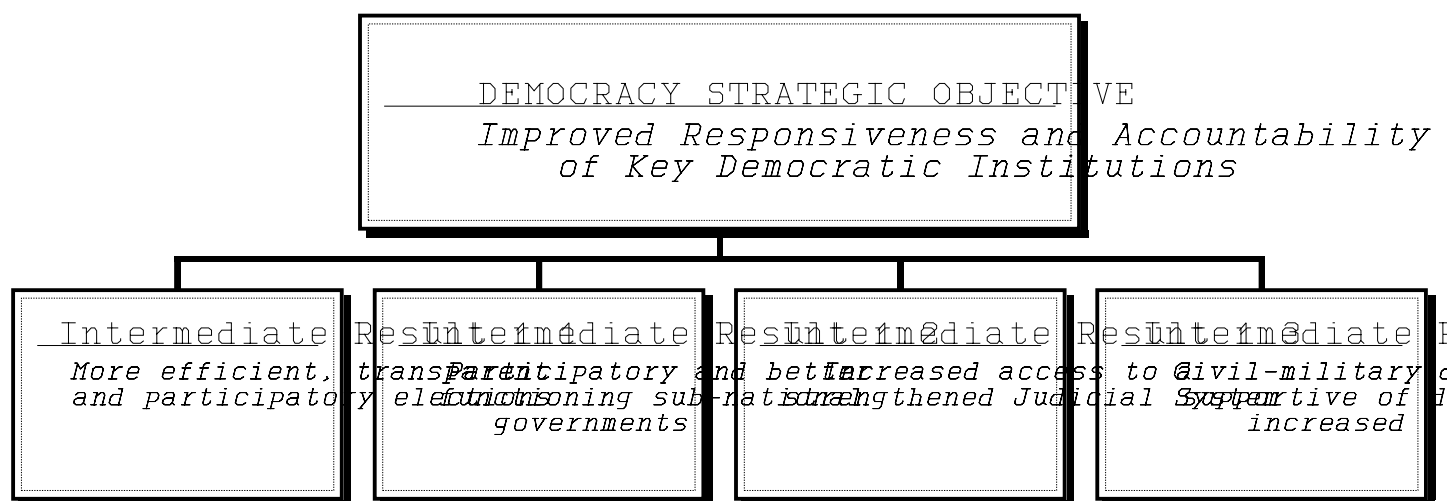
*Si tú no puedes explicar lo que estás haciendo,
tu trabajo carecerá de valor.*

*If you cannot explain what you have been doing, your
work will lack value.*

Erwin Schrodinger

Democracy and Good Governance Strengthened

Democracy Strategic Objective - Improved Responsiveness and Accountability of Key Democratic Institutions



Performance Analysis

USAID/Paraguay's progress on its democracy strategic objective continues to be impressive, exceeding expectations. Excellent results can be reported across all intermediate results. The installation of international technical assistance in Paraguay working closely with local partners is producing significant results.

USAID/Paraguay provided substantial assistance to ensure that the May presidential elections were the most successful in the country's history. Massive voter registration campaigns were conducted, the Electoral Tribunal transmitted election results quickly, and an NGO network organized a parallel quick count of election results within hours after the polls closed. The stage has been set for a far more efficient use of Government of Paraguay resources by helping to put them where they can be utilized most effectively - with local authorities who know the needs of their communities. After four years of an intensive Mission technical assistance effort, the Penal Code has been passed into law and will go into effect later this year. This new law will considerably improve the criminal justice system. Pioneering efforts

in the civil-military area are leading to a major redefinition of the role of the military within Paraguay, a country with a long history of military involvement in its political affairs.

Supplemental performance indicators have been included in the performance data tables to provide a greater appreciation of the Mission's efforts towards strengthening Paraguay's democracy. It should also be noted that the Mission will be developing new indicators under the elections and civic education intermediate result (IR) since we have already met or exceeded proposed targets. These will be presented in next year's R4 based upon the new programming priorities and the availability of funds to continue this type of assistance.

National Interest

USAID/Paraguay gives this strategic objective a national interest score of ten, the highest score possible. The U.S. Embassy Country Team believes that the U.S. national interest of democracy to be of the highest priority in Paraguay. The U.S. Embassy's Mission Performance Plan goal in democracy is "to consolidate and strengthen Paraguay's emerging institutions, increase good governance and democratic practices, and establish broad-based respect for human rights." The recent political crisis over elections demonstrates the fragility of the country's developing, but still immature, democratic institutions. The culture of public participation and government responsiveness is only now beginning to take hold. The Mission's work in democracy will gain the United States a responsible and democratic partner with whom it can work to solve other problems of regional and global importance, as well as addressing the larger U.S. interest of advancing a more democratic community of nations.

IR 1.1 More Efficient, Transparent and Participatory Elections

The road from the November 1996 Municipal Elections to the May 1998 National Elections in Paraguay was unexpectedly difficult and at times, it seemed like Paraguay would never arrive at its destination of clean and transparent elections on May 10, 1998. The transition to a consolidated democracy was threatened by political in-fighting and constitutional ambiguities.

The 1997-98 electoral process began with party primaries in September 1997. Due to the Mission's work with the political parties, the primary elections were open to international scrutiny for the first time in Paraguayan history. All three primaries (*Colorado*, *Liberal*, and *Encuentro Nacional*) were analyzed by international observers to assess the party's management and organization in preparation for the national elections. Subsequent complaints by certain members of the Colorado Party were deemed without merit by the Electoral Tribunal.

During this time, the Electoral Tribunal set an ambitious goal to add 250,000 new voters to the national voter list. Seven local NGOs ran a well-targeted national civic motivation campaign to register voters, making it possible for the Electoral Tribunal to reach its goal. This campaign was designed using data on undocumented and unregistered people, analyzed

1997-1998 Electoral Process Timeline

Sept. 7	Colorado Party primaries - retired General Lino Oviedo wins candidacy for president.
Sept. 21	Encuentro Nacional primaries - Carlos Filizzola wins candidacy for vice president of the Alliance ticket.
Sept. 28	Liberal Party primaries - Domingo Laino wins candidacy for president of the Alliance ticket.
Oct. 4	President Wasmosy orders the disciplinary arrest of Oviedo for his role in an attempted military coup in April 1996. Oviedo goes into hiding.
Oct. 26	Electoral Tribunal finishes voter registration, and 2,049,628 people are registered to vote.
Dec. 11	The Supreme Court upholds the disciplinary detention order against Oviedo.
Dec. 12	Oviedo turns himself in to the military.
Dec. 29	The Electoral Tribunal rejects allegations of fraud in the Colorado primaries. Those candidates who won the primaries can be registered as the official candidates.
March 2	Colorado party convention calls for a postponement of the elections. The Electoral Tribunal rejects any postponement.
March 9	The Military Tribunal sentences Oviedo to 10 years in prison. He remains the candidate for the presidency.
April 1	International electoral observation begins.
April 7	Voter education campaign begins.
April 17	The Supreme Court upholds the Military Tribunal's sentence. Oviedo is disqualified as a candidate by the Electoral Tribunal. Raul Cubas Grau becomes Colorado presidential candidate.
April 22	Approximately 2000 public employees march to the Electoral Tribunal to demand a postponement of elections. The Electoral Tribunal rejects these demands.
May 10	Successful national elections are held. They are deemed free and fair by international observers. Raul Cubas is elected as the next President of Paraguay.

for the first time in a database on electoral demographics. The NGOs focused their efforts on the most disenfranchised segments of the population: youth, women, and rural families. The campaign included distribution of materials in public areas and presentations in both primary and secondary schools in order to identify and register family members that were as yet not registered.

The national voter list was completed in October 1997. The Organization of American States (OAS) and other international electoral experts claim it is among the "cleanest" in all Latin America. More than two million Paraguayans are registered. Fifty-three percent of those registered are men and 45 percent are women (the sex of the remaining 2 percent was not recorded). These figures augur well for increased participation of women in the electoral process. The Electoral Tribunal met its goal and has registered approximately 80 percent of the eligible electorate. The new voter list was distributed in CD-ROM form three months in advance of election day, making it open for scrutiny by all political parties and other interested organizations. The Electoral Tribunal also set up computers for citizens to check their names and identification numbers on the voter list and to find their voting location. This also included opening an informational web site on the internet.

Members of the Electoral Tribunal participated in Mission funded international observer missions and official visits to other national tribunals on several occasions in 1997 to learn about other electoral systems. Technical assistance to the Electoral Tribunal strengthened the institution and improved its capacity to run the elections. Chances for fraud and mistakes on election day were reduced through the review and redesign of electoral materials and election day procedures. A census of Electoral Tribunal personnel was conducted to reorganize the institution in the most efficient way possible. An information and documentation center was created within the Tribunal to facilitate public outreach and communications about the elections. Electoral personnel and poll watchers were trained on proper election rules and procedures. The computer and security systems were assessed and improved. For the first time, Paraguay had preliminary election results the same night as the elections. This was due to a new procedure for preliminary transmission of results introduced at the Electoral Tribunal.

During the past year, the first qualitative study on popular attitudes toward political parties was produced. This allowed party leaders to incorporate recommendations into the party structure that enabled the parties to be more responsive to the electorate. One major advance was the inclusion of speeches in Guarani, the native dialect, in a candidate's campaign strategy. At the request of the three political parties, an international study mission evaluated the management and organization of the political parties for the upcoming May election, looking at areas such as their ability to achieve voter turnout, use of polls, transportation of voters to polling stations, and training poll workers. Educational materials addressed issues such as volunteer recruitment, party organization, integration of women's issues into party platforms and proposals, campaign structure and messages, and interviews with the press.

During the final month of the campaign, a network of NGOs working on civic education was reactivated and enlarged to 14 groups. They created a nationwide campaign for citizens' participation and responsible voting. Through public events, radio messages, posters, street theater, electoral fairs, and voting demonstrations the NGOs reached and motivated to vote a population which had become cynical and disinterested from the months of political instability. This is clearly demonstrated by the extremely high participation rate among eligible voters.

Given the controversial nature of these elections, international and local observation was crucial. USAID/Paraguay coordinated efforts between observation teams. In addition, the Mission supported the establishment of an NGO to carry out an independent quick count. The quick count, which was successfully done during the 1993 election, is an excellent way to legitimize the results of the Electoral Tribunal through independent efforts from civil society. In fact, the announcement of the results of this independent quick count towards midnight of election day was seen as the final confirmation of the electoral results both by the political parties and the general population.

The national elections in Paraguay produced one of the highest turnouts in the history of elections in Paraguay, more than 80% of registered voters crowded balloting places all over

the country on election day. In the last national elections in 1993, voter turnout was only 69%. People even reached polling places by boat in several communities that were flooded. The ruling Colorado Party won the presidency, the vice-presidency, and a majority in both chambers of Congress.

The only other major donor in the area of elections is the Organization of American States. The OAS has provided technical assistance of \$150,000 per year to the Electoral Tribunal since 1996. This technical assistance has helped to program the software for the electoral database, to create the voter registry list, and to develop a chronogram for all electoral year activities. The Mission has held regular meetings with the OAS to ensure coordinated efforts. The OAS sponsored an international observation mission for the 1998 national elections at a cost of \$500,000. It is not clear whether the OAS will continue its assistance to the Electoral Tribunal in 1999.

IR 1.2 Participatory and Better Functioning Sub-National Governments

The Mission is building upon the success in last year's R4 which reported on major policy reforms such as the legal establishment of the National Commission for Decentralization (NCD) and the passage of the first basic piece of decentralization legislation, the National Health System Law. While passage of the National Health System Law last year described what could be done, it did not establish details on how to implement the law. The Implementing Regulations, which provide such details, were issued with USAID/Paraguay support through a Presidential decree in February 1998. These regulations have greatly accelerated the health decentralization processes throughout the country and have helped define the roles and authorities of sub-national governments.

In coordination with the NCD, the Mission supported several conferences and seminars with local and national authorities to advance the decentralization of selected public services. Citizens perceive these services as immediate benefits derived from democracy. Health care, water and sanitation, rural road management, public transportation, and local fiscal policy will be decentralized or demonopolized in the near future. The Mission and its local partners are at the forefront of this dialogue which became a fundamental plank in the platforms of the political parties in 1998. This process should be further advanced by the new Congress that will contain many of the current governors and ex-mayors. This cross-party group will create a formidable lobby for pushing through the necessary legislation to further support decentralization.

To increase local capacity to provide services, USAID/Paraguay, under an innovative operational research program, has assisted the Ministry of Health and selected municipalities to achieve the transfer of both assets and authority to decentralize basic health care. For fifteen months, these municipalities will administer and provide health care services to their communities under special agreements with the national authorities. The Ministry of Health, in coordination with the Ministry of Finance, is transferring the requisite financial and

physical resources to the municipalities. Baseline indicators are being measured to objectively track the improvements provided under decentralized health care.

The need for greater urban planning is vital to addressing concerns for solid waste disposal, environmental protection, clean drinking water, appropriate zoning, and city management. Through a local NGO partner, the Mission has helped four municipalities to initiate urban planning services and develop solid waste management plans. However, it has become increasingly clear that urban environmental issues cannot be addressed in isolation by individual municipalities, but require cooperation with neighboring communities. In response, USAID/Paraguay sponsored seminars for mayors and city council members which enabled the authorities to gain a better understanding of their own problems by looking at the experiences of others. This has led to the development of alternative solid waste disposal methods in three municipalities.

Another major achievement was the implementation of decentralized services delivery in the Municipality of Asuncion by providing electronic connections to their community centers. This activity, carried out by the Learnlink project, sets up real time connections between six decentralized community centers and the main municipal building. Access to the databases of the municipality allows citizens to pay fees and taxes in their neighborhood centers and to obtain information on other

municipal services and activities. This activity includes the creation of computer information and service centers which provide free internet access and training to the public and which will also serve as training centers for municipal employees.

Substantial progress was made towards improving mechanisms for community decision making. The Mission has encouraged local participation through the expansion of public hearings with municipal and departmental governments. These activities originated with open budget hearings in Asuncion and have since been expanded to include other municipalities. These hearings now cover a wide range of important public issues.

USAID/Paraguay has also assisted in the development of participatory planning exercises in which the community and local authorities jointly map out their city's development plan.

Participatory Planning in Action

For the first time in history, over 300 citizens of the municipality of Ita met in a free and open assembly in order to analyze their problems, search for solutions, and design the community in which they want to live. This exercise was a response to the urgent need to find more efficient and adequate channels for community participation in local decision making and transparent democratic systems for their involvement. Artisans, farmers, vendors, laborers, teachers, students, nurses, politicians and others, representing all age groups, participated in the assembly.

The assembly was followed by a number of more technical sessions among interested groups to further develop ideas and projects. These technical sessions identified a number of problem areas mandating attention from the authorities who are working hand-in-hand with the citizenry to address these problems. Several immediate actions were identified at the assembly, including a clean-up of the city's once picturesque lake that had deteriorated significantly in recent years.

The Mission has worked collaboratively with other donors in defining strategies for local government strengthening. Representatives from the World Bank, the Pan-American Health Organization (PAHO), and the Inter-American Development Bank (IDB) actively participate on the Mission's health decentralization technical team. These donors intend to model several new actions under their combined \$60 million loans to the health sector based on the design and expected results of the USAID/Paraguay sponsored operational research program for health decentralization.

The Mission is finalizing its environmental pollution prevention program (EP3) which has supported the use of clean technologies by allowing industries to save money while being more environmentally friendly. To ensure continuity, the Mission has brokered a relationship between the Inter-American Development Bank (IDB) and the Paraguayan Industrial Union (UIP), the local EP3 implementing partner. This has resulted in an IDB decision to finance a follow-on activity with the UIP, which essentially replicates the current activity. Approximately \$500,000 will be destined to environmental activities over the next four years under this agreement. The UIP will maintain an EP3 office and offer pollution prevention as one of its key environmental services for its member industries. USAID/Paraguay has successfully leveraged IDB financing to continue this critical urban environmental initiative.

IR 1.3 Increased Access to a Strengthened Judicial System

The Mission has emphasized reform of the judicial system for several years. Dramatic breakthroughs have been made this year that will reshape the criminal justice system preparing it for the twenty-first century. The focus of USAID/Paraguay's efforts has been a package of important legal reforms, including the Penal Code, the Criminal Procedures Code, and the Public Ministry Statute.

The Penal Code was passed by Congress in November 1997. The existing penal system had been based on an outdated 1914 law. The new code is a major breakthrough in that it reclassifies new ecological, economic, and financial offenses and decriminalizes others. Crimes have been clearly defined in the areas of computer technology, intellectual property, money laundering, and the environment. This code should greatly facilitate U.S. government activities in dealing with intellectual property right issues with the Government of Paraguay. Some crimes that were punishable with prison sentences now only carry a fine. It is expected that these changes will markedly reduce the number of cases that go to court, and the number of prisoners held in jail without sentences. At present, more than 90 percent of the country's prisoners are being held pending trial, many for months or even years after their arrest. For instance, out of the 600 inmates in the Alto Parana prison, only 18 have been sentenced.

The passage of the Penal Code, enabling the Mission to meet its target, is a culmination of four years of work. During this period the Mission brought in a number of outside consultants to work with the country's judicial authorities and Congress.

The Criminal Procedures Code was presented to Congress in March 1997 after several months of development. The Code establishes an accusatorial and oral system for judicial proceedings, contributes to more rapid judicial processes, and increases the accountability of the judicial system by making trials open to the public. The old system where the accused dealt with judges in closed sessions encouraged rent-seeking behavior. This new Criminal Procedures Code will completely modernize the court system in Paraguay and is desperately needed to complement the new Penal Code.

Prior to the presentation of the Criminal Procedures Code to Congress, judicial officials took the draft code around the country to explain it and seek recommendations through a series of USAID funded seminars. Over four hundred members of the judicial system participated in this process. Based on these seminars, the draft Code was revised and improved. The President of the Supreme Court presented the new draft to Congress during a one week international seminar co-sponsored by USAID/Paraguay. A special bicameral commission within Congress has just completed reviewing the code, article-by-article with the assistance of two international experts funded by the Mission. This code is now under discussion on the floor of Congress with a vote pending.

Another fundamental reform bill, the Public Ministry Statute, was presented to Congress in December 1997. It incorporates the new functions assigned to the Office of the Public Ministry, including the structural reform of the criminal justice system. USAID supported the drafting of this legislation with the Public Ministry and made key recommendations that were subsequently included. The Mission plans to continue to provide Congress with the necessary support to fully study, understand and enact this law. USAID/Paraguay also expects to assist the new Congress in the drafting of the new Judicial Framework law.

Once all of these landmark reforms are passed, the greatest challenge will be to provide the judicial sector with the requisite tools to implement them. A USAID/Paraguay supported diagnostic study that identified the principal training needs for all the actors in the criminal judicial sector was completed and delivered to the Supreme Court and to the Public Ministry. The study provides an outline for a training program for court system personnel, including lawyers, judges, and staff from the Supreme Court and the Public Ministry; a general outline of the personnel profile in the sector; and a discussion of professional ethics which includes the most probable causes of judicial infraction along with possible corrective measures. The implementation of these activities should substantially increase the efficiency of case resolution in the judicial system.

The Mission helped develop and implement training courses for the International Center for Judicial Studies of the Supreme Court (ICJS) and the Training Center of the Public Ministry. As a result, both centers established a permanent structure for the in-service training of judges, public defenders, prosecutors, and other judicial officials. They are carrying out numerous courses, including several to train trainers. The stage has been set to considerably expand training efforts as the Penal Code and other legal reforms go into effect. These

activities will facilitate the rapid and efficient implementation of modern legal reforms. The long term result will be greater access to justice through a more equitable judicial system.

Planned activities in alternative dispute resolution have been delayed. Current resources were devoted to the successful passage of the Penal Code, the development of the Criminal Procedures Code, and the Public Ministry Statute, and training judicial sector personnel. A major conference, co-sponsored by the Supreme Court, will be held in the near future to develop ADR plans.

USAID/Paraguay is coordinating its efforts in judicial reform with other donors in Paraguay to ensure the maximization of their contribution to the Mission's strategy. The Inter-American Development Bank is working with the United Nations Development Program through a \$60 million project to construct court buildings and a \$10 million component to strengthen the capacity of the Supreme Court and the Public Ministry through advanced, computerized information systems. The Supreme Court is just beginning an activity with the Inter-American Institute of Human Rights (IIDH) to improve the image of the court system and to train judges in human rights issues.

IR 1.4 Civil-Military Dialogue Supportive of Democracy Increased

In response to the attempted military coup in April 1996, the Mission has established a ground-breaking dialogue between a cross section of congressional, political, academic, and opinion leaders and the national military leadership in order to forge good working relations and to define an appropriate role for the armed forces in a democratic society. A pressing need exists for an ongoing civil military dialogue in Paraguay. Until sentenced for sedition by a military tribunal, General Oviedo, was the leading Presidential candidate. Since the civilian court system was unwilling to challenge the general, President Wasmosy and the military leadership took matters into their own hands, reenforcing the misconception of the need for strong military stewardship of the democratic process, and further confusing the appropriate roles of Paraguay's incipient democratic institutions. With the upcoming change of government, new roles and relationships will need to be fashioned.

Building upon the successful seminar series between top military officers and the civilian leadership reported on last year, efforts have been focused on the presentation and discussion of key military legislation. This work began to bear fruit over the past year. A joint congressional and military *ad hoc* commission has been initiated to consider several major laws, including the Military Personnel Statute, Obligatory Military Service Law, National Defense Law, Military Organizational Law, and the Conscientious Objector Law.

As a result, the Military Personnel Statute was passed into law in September 1997. It sets new pay scales for military officers, more than doubling the rates for low level officers. It is seen as an important first step towards professionalizing the armed forces. The Conscientious Objector law was approved by both the Senate and the Lower House, but was subsequently vetoed by the President.

A healthy debate over the National Defense Law continues, with both houses of Congress having approved separate bills on the matter. One of the major issues relates to the military's role in internal security, with the Senate opposing and the Lower House favoring an active role. Once a consensus is reached, the Military Organizational Law can be developed based on the new functions defined for the armed forces.

The final piece of legislation, the Obligatory Military Service bill has been approved by Congress and is awaiting the President's signature. This bill's major innovation proposes the establishment of an independent board that would set annual recruitment levels for the military and seek volunteers to fill the positions. Failure to secure adequate troop strength through volunteers would produce a national lottery to determine those eligible civilians that would be called into the armed forces to fill the gap.

The other major achievement of the Mission's pioneering efforts in civil-military dialogue has been the creation of the Paraguayan Center for Strategic Studies. An independent think tank, whose aim is to increase open communications between civilian leaders and top military officers, it examines civil-military issues and provides Paraguayan authorities with a blueprint for reform. The Center is headed by a group of highly respected individuals, including retired military officers and highly regarded civilian academics.

Expected Progress

Now that the May Presidential elections are over, the Mission will start to work with the newly elected government authorities and will undertake an evaluation of the elections in order to define what additional activities are required to assure the continued momentum of clean, transparent elections. Local NGOs will continue to work on civic education with special focus on the participation of women and youth. USAID/Paraguay will also continue activities to strengthen the Electoral Tribunal in order to institutionalize and solidify the process of holding democratic elections. For example, the Electoral Code will be completely reassessed and reformulated through a participatory process.

USAID/Paraguay will complete the demonstration of the utility of health decentralization in pilot communities and press for its application nationwide. In cooperating municipalities, the Mission will demonstrate and begin to replicate service delivery plans in solid waste management, public transportation regulation, water and sewer access, urban planning, and road maintenance. Consensual community development planning activities will be expanded to as many as 20 municipalities. Decentralization legislation will also be supported in order to provide an overall legal framework to cover the de facto decentralization that has already taken place. Issues, such as the need for taxing authority at the departmental level and municipal authority to set their own tax and fee rates, will be integral to any fiscal decentralization policy.

Having secured the passage of the Penal Code, USAID/Paraguay will seek enactment approval of the Criminal Procedures Code, the Public Ministry Statute, and the Judicial

Framework Law. The Supreme Court, the Public Ministry, and the Office of the Public Defenders will be trained to assist in the implementation of these significant judicial reforms. USAID/Paraguay's work in the area of alternative dispute resolution, which took a backseat over the past year owing to the need to target limited Mission resources to those areas where they would have the greatest impact -- implementation of judicial reforms, will be initiated.

The Mission will strengthen the newly formed Paraguayan Center for Strategic Studies. USAID/Paraguay also will pursue approval of the package of legislation that promises to define a new era of civil-military relations within the country.

Finally, the Mission is looking at the area of corruption, a major problem within Paraguay. The terms of reference for a study that will assist in defining what will be possible to accomplish in this area, taking into consideration the limited resources that are available, has been prepared. An anti-corruption program will then be integrated into the existing democracy intermediate results with governmental and civil society components.

Democracy Strategic Objective

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME: Improved Responsiveness and Accountability of Key Democratic Institutions.			
INDICATOR: Population who believe the national government is responsive to their needs.			
UNIT OF MEASURE: Percentage. SOURCE: National Probability Survey (NPS), Political Culture in Paraguay: 1996 Baseline Study of Democratic Values. INDICATOR DESCRIPTION: The actual question is (on a scale of 1 to 7) "To what point do you believe that the Central Government responds to the needs of the people?" In order to make the presentation of the findings more readily understandable, all scales were converted to a 0-100 format. COMMENTS: The 1996 baseline survey revealed that, of the 19 institutions ranked, government responsiveness was the lowest. This provides strong support for the importance of this Strategic Objective. No important statistical differences were found between responses by men and women. Male 39%. Female 39%. This survey will be repeated in August 1998.	YEAR	PLANNED	ACTUAL
	96 (B)		39%
	97	n/a	n/a
	98	45%	
	99	n/a	
	00 (T)	50%	

Democracy S.O. IR 1.1 Elections

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay	
RESULT NAME 1.1: More efficient, transparent and participatory elections.	
INDICATOR 1: Population that consider the elections clean .	

UNIT OF MEASURE: Percentage. SOURCE: National Probability Survey (NPS), 1997 Post-Election Survey of Opinion Leaders. INDICATOR DESCRIPTION: The actual question in the survey is (on a scale of 1 to 7) "To what extent do you believe the last elections were clean, that is, without fraud?" In order to make the presentation of the findings more readily understandable, all scales were converted to a 0-100 format. COMMENTS: The baseline study in 1996 found no important statistical differences were found between responses by men and women. Male 46%. Female 45%. The NPS will be repeated in August 1998 to obtain data on the 1998 national elections. Gender trends will also be tracked. * The survey carried out in late 1996 measured '93 election results. ** No statistical data is available for 1997 to measure the 1996 municipal elections. A Post Elections Evaluation was carried out by IFES which reported that both national and international observers declared these elections the fairest and freest ever in Paraguay's history.	YEAR	PLANNED	ACTUAL
	93(B)*		45%
	97	n/a	n/a**
	98 (T)	65%	
	99	n/a	
	00	n/a	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: More efficient, transparent and participatory elections.			
INDICATOR 2: Declaration of the election as free as fair by Independent Election Observers.			
UNIT OF MEASURE: Yes/No. SOURCE: The Electoral Tribunal (TSJE), the International Foundation for Election Systems (IFES), and the Organization of American States (OAS). INDICATOR DESCRIPTION: This indicator requires a formal declaration within a week by election observers. COMMENTS: The IFES technical team determined that the 1998 general elections were free and fair. The OAS and CAPEL also publicly declared 1998 general elections to be free and fair within a day of the elections. Secretary General Gaviria of the OAS praised the transparency and civic spirit of these elections.	YEAR	PLANNED	ACTUAL
	96 (B)	yes	yes
	97	n/a	n/a
	98 (T)	yes	yes
	99	n/a	
	00	n/a	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: More efficient, transparent and participatory elections.			
INDICATOR 2a Supplemental: Political parties' internal primaries are free.			

UNIT OF MEASURE: Percentage. SOURCE: The Electoral Tribunal (TSJE) and National Democratic Institute (NDI). INDICATOR DESCRIPTION: The presidential primaries will be judged free if the primaries are not contested by any members of the party and if the primaries are contested and the Electoral Tribunal or the judicial system determine that the contestation is without merit. This indicator only measures the presidential primary elections of the three main parties. Each primary represents 33.3% of the total planned. COMMENTS: The Colorado and Liberal party primary elections were contested in 1997, but the TSJE found the contestation without merit. The other primary was not contested. There are no elections in '99 or '00.	YEAR	PLANNED	ACTUAL
	93(B)		66%
	96	n/a	n/a
	97(T)	100%	100%
	98	n/a	
	99	n/a	
	00	n/a	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions			
APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: More efficient, transparent and participatory elections.			
INDICATOR 3: Registered voters who vote.			
UNIT OF MEASURE: Percentage. SOURCE: The Electoral Tribunal (TSJE) and the International Foundation for Election Systems (IFES). INDICATOR DESCRIPTION: A eligible voter must be at least 18 years old and have a national I.D. card issued by the police. The indicator represents the percentage of registered voters only. Official records or registered voters and the number who vote are kept by the Electoral Tribunal. COMMENTS: The Electoral Tribunal currently estimates that 82% of the registered voters voted in the 1998 national elections. A definitive figure will be ready by June 1998. This percentage may be the highest in Latin America. The Mission's target was mistakenly based upon voter turnout for the municipal elections which usually have greater voter participation than the national elections. There is no hard data available on the disaggregation by gender or age for the 1998 elections, but this will be tracked during the 1998 repetition of the National Probability Survey. No elections will be held in 1999 or 2000.	YEAR	PLANNED	ACTUAL
	93 (B)		69.4%
	96	75%	83.3%
	97	n/a	n/a
	98 (T)	87%	
	99	n/a	
	00	n/a	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions			
APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: More efficient, transparent and participatory elections.			
INDICATOR 3a Supplemental: Percent of eligible population registered to vote.			
UNIT OF MEASURE: Percent SOURCE: The Electoral Tribunal (TSJE) and the International Foundation for Election Systems (IFES). INDICATOR DESCRIPTION: A eligible voter must be at least 18 years old and have a national I.D. card issued by the police. Official records on registered voters are kept by the Electoral Tribunal. COMMENTS: Voter registration for the 1998 elections was closed by the end of 1997. There are no elections in '99 and '00. Actual results for 1993 are based on 1,698,984 people registered of a possible 2,385,135 eligible. In 1996 a entirely new voter registry was created since the previous one had contained dubious data and was not considered to be reliable. Actual results for 1996 are based on 1,817,269 people registered. Actual results for 1997 are based on 2,049,628 people registered of an estimated possible 2,576,842 eligible. Females represent 45% of those registered, males 53% and 2% are undefined. These results are base on name recognition, the registry form itself did not provide for sex distinction. It is estimated that approximately 73% of eligible females are registered to vote and that about 86% of eligible males have registered.	YEAR	PLANNED	ACTUAL
	93 (B)		71%
	96	70%	70%
	97(T)	80%	80%
	98	n/a	
	99	n/a	
	00	n/a	

Democracy S.O. IR 1.2 Local Government

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.2: Participatory and better functioning sub-national governments.			
INDICATOR 1: Population who express satisfaction with municipal government service delivery.			
UNIT OF MEASURE: Percentage. SOURCE: National Probability Survey (NPS), Political Culture in Paraguay: 1996 Baseline Study of Democratic Values. INDICATOR DESCRIPTION: The actual question is (on a scale of 1 to 5) "Would you say that the services that the municipality is providing to the people are excellent, good, regular, bad, or very bad?" In order to make the presentation of the findings more readily understandable, all scales were converted to a 0-100 format. COMMENTS: The 1996 baseline study found no important statistical differences between responses by men and women, education levels, or geographic zone. Male 45% Female 43%. This survey will be repeated in August 1998.	YEAR	PLANNED	ACTUAL
	96 (B)		44%
	97	n/a	n/a
	98	52%	
	99	n/a	
	00 (T)	60%	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.2: Participatory and better functioning sub-national governments.			
INDICATOR 2: Number of target sub-national governments with joint community projects implemented.			
UNIT OF MEASURE: Number. SOURCE: Alter Vida, Development Alternatives Inc.(DAI) International Union of Local Authorities (IULA) and other partners. INDICATOR DESCRIPTION: A joint community project is a process where members of the government and community identify a problem; develop a plan for addressing the problem, which includes planned implementation by members of the government and the community; and the action is implemented. The targets reflects the number of projects implemented yearly and are not cumulative. In other words, a project is "counted" only in the year implementation begins. These actions will be measured in the Mission's priority sub-national government entities which are defined as 25 sub-national units consisting of 3 departments and 22 municipalities. COMMENTS: In 1997 nine joint community projects were implemented in target communities. These included participatory community development plans and projects, implementation of urban environmental action plans, design and enforcement of joint urban planning and zoning, and carrying out community health care projects.	YEAR	PLANNED	ACTUAL
	96 (B)		2
	97	7	9
	98	11	
	99	14	
	00(T)	17	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.2: Participatory and better functioning sub-national governments.			
INDICATOR 2a Supplemental: Percent of target sub-national government supplying additional services.			
UNIT OF MEASURE: Percent. SOURCE: Reports and field trips. INDICATOR DESCRIPTION: Services include health service delivery, water and sanitation, transportation, environmental planning, and others. This number reflects additional services and is not cumulative. This indicator will measure new services and all the planning, designing, and securitization of financing that goes into offering a basic service to the community. The Mission is defining 25 priority sub-national governments to include 3 departments and 22 municipalities. The indicator represents what percentage of the priority sub-national governments are providing a new service to the community each year. COMMENTS: These new services include the decentralization of basic health care services to municipalities, solid waste disposal services and water and sanitation systems.	YEAR	PLANNED	ACTUAL
	96 (B)	4%	8%
	97	16%	28%
	98	32%	
	99	48%	
	00 (T)	64%	

Democracy S.O. IR 1.3 Improved Access to a Strengthened Judicial System

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.3: Increased Access to a Strengthened Judicial System.			
INDICATOR 1: Number of targeted key reforms enacted by Congress.			
UNIT OF MEASURE: Cumulative Number. SOURCE: Paraguayan Center for Liberty and Social Justice Promotion (CEPPRO) and State University of New York (SUNY). INDICATOR DESCRIPTION: The targeted key legal reforms include the Penal Code, the Criminal Procedures Code, the Public Ministry Statute and the Judicial Framework Law. COMMENTS: Targets are set realistically due to the immense amount of time needed for the drafting, presenting, modifying, and lobbying that goes into the passage of major pieces of legislation. The key legal reform enacted by Congress in 1997 was the Penal Code.	YEAR	PLANNED	ACTUAL
	96 (B)		0
	97	1	1
	98	2	
	99	3	
	00 (T)	4	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions			
APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.3: Increased Access to a Strengthened Judicial System.			
INDICATOR 2: Population who believe that people receive a fair trial.			
UNIT OF MEASURE: Percentage. SOURCE: National Probability Survey (NPS), Political Culture in Paraguay: 1996 Baseline Study of Democratic Values. INDICATOR DESCRIPTION: The actual question is (on a scale of 1 to 7) "To what point do you believe that the judicial system guarantees a fair trial?" In order to make the presentation of the findings more readily understandable, all scales were converted to a 0-100 format. COMMENTS: The 1996 baseline survey revealed that of the 19 institutions ranked, the Judicial Sector, was the second lowest. No important statistical differences were found between responses by men and women. Male 39% Female 40%. This survey will be repeated in August 1998.	YEAR	PLANNED	ACTUAL
	96 (B)		40%
	97	n/a	n/a
	98	45%	
	99	n/a	
	00 (T)	50%	

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions			
APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.3: Increased Access to a Strengthened Judicial System.			
INDICATOR 2a Supplemental: Percentage increase in average number of cases decided in Asuncion.			
UNIT OF MEASURE: Number. SOURCE: Supreme Court. INDICATOR DESCRIPTION: This indicator seeks to measure an increase in the number of cases that the judges are deciding per year. Consequently, it measures the percentage increase in the number of cases decided by the judges in the Asuncion Courts. In 1997 this is a cumulative increase over 1996. COMMENTS: The 1996 baseline for this indicator is 28,259 cases decided. In 1997 30,307 cases were adjudicated by judges in the Asuncion Court system. It is estimated that the introduction of legal reforms will eventually improve the amount of cases they adjudicate by 20%.	YEAR	PLANNED	ACTUAL
	96(B)		n/a
	97	5%	7%
	98	10%	
	99	15%	
	00(T)	20%	

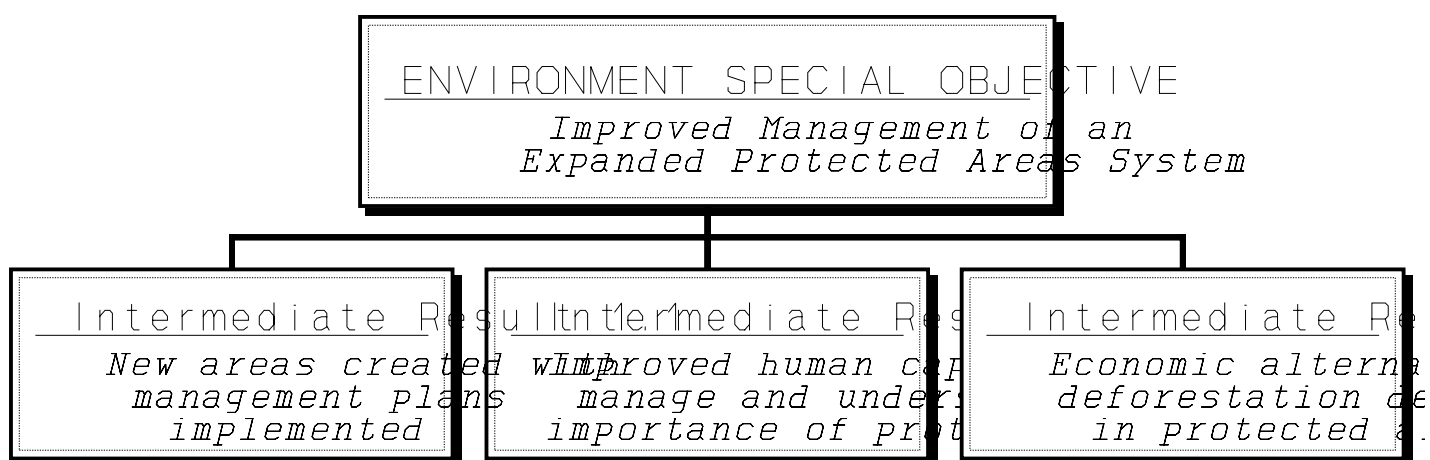
OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.3: Increased Access to a Strengthened Judicial System.			
INDICATOR 3: Pilot Alternative Dispute Resolution (ADR) Centers Established.			
UNIT OF MEASURE: Number. SOURCE: State University of New York (SUNY). INDICATOR DESCRIPTION: ADR centers are places operated and manned by professionals outside of the normal court system. They charge for their services and have set rules, regulations, and procedures for solving common disputes between individuals and/or companies. The two parties in dispute mutually agree to use an ADR or mediation center. Terms of settled disputes are authorized and signed in writing by the disputing parties. This is a cumulative figure. COMMENTS: Due to budget limitations and programming priorities this activity was not initiated during FY97 as originally planned. The planned targets were adjusted up one year accordingly. The new target for 1998 will be one ADR center established.	YEAR	PLANNED	ACTUAL
	96 (B)		0
	97	1	0
	98	1	
	99	3	
	00 (T)	5	

Democracy S.O. IR 1.4: Civil Military Relations

OBJECTIVE: Improved Responsiveness and Accountability of Key Democratic Institutions APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.4: Civil-Military Dialogue Supportive of Democracy Increased.			
INDICATOR 1: Key laws presented to Congress.			
UNIT OF MEASURE: Number. SOURCE: Paraguayan Center for Liberty and Social Justice Promotion (CEPPRO). INDICATOR DESCRIPTION: Some of the key military laws include the National Defense law, Military Personnel law, Internal Organization law, Conscientious Objector law, and others. To be considered "presented," the laws must have been drafted and/or revised, approved in committee (including discussions and input from military leadership) and presented for consideration to either house of Congress. This is a cumulative figure. COMMENTS: The key laws presented to Congress were the National Defense law, the Military Personnel law, the Obligatory Military Service law and the Conscientious Objector law. The Military Personnel law was enacted in 1997 and the Conscientious Objector law was passed by Congress but vetoed by the Executive Branch. The National Defense law was passed in the Senate and is in committee review in the House. Another version of this law was approved in the House but rejected by the Senate, prompting them to produce their own version. The Obligatory Military Service law has been approved in Congress and is awaiting enactment by the Executive Branch.	YEAR	PLANNED	ACTUAL
	96 (B)	n/a	0
	97	2	4
	98	3	
	99	4	
	00 (T)	5	

The World's Environment Protected for Long-Term Sustainability

Environment Special Objective - Improved Management of an Expanded Protected Areas System



Performance Analysis

USAID/Paraguay's progress on its environment special objective has exceeded expectations. All targets were either met or exceeded. These activities are contributing to the protection of important ecosystems in Paraguay. The Mission is engaged with other donors in a conservation strategy for the Chaco region, an area that contains one of the most valuable ecosystems in Latin America. A program for the management of the *Defensores de Chaco* national park has been initiated and successful examples of sustainable reserve management are in place and will be replicated.

The Latin America and the Caribbean Bureau's (LAC) Regional Parks-in-Peril Program for the *Defensores del Chaco* national park intends to protect 780,000 hectares of a vulnerable ecosystem. The four-year work plan is the result of the coordination among a U.S. based NGO, the National Parks Directorate, a local NGO, and USAID/Paraguay. This type of coordination is a unique experience for Paraguay. Actions taken during the past year include institutional strengthening of a local NGO, the initiation of construction of guardhouses in the park, and plans for a rapid ecological assessment of the park's biological resources.

The Parks-in-Peril program with *Defensores del Chaco* promises to have even greater significance when it is considered in relation to other conservation actions planned in the Chaco. *Defensores del Chaco*, together with two new parks in this area, will form a biosphere reserve in the northern Chaco. If this proposal is successful, a tremendous multiplication of USAID's conservation actions in the vast Chaco region of Paraguay will be realized. This reserve may eventually be linked to a large national park in the Bolivian Chaco to become a part of a transnational conservation zone.

The Government of Paraguay has been working to attract the interest of donors in the protection of endangered ecosystems. USAID/Paraguay's previous initiatives, such as the development of the National System of Protected Areas (SINASIP), have positively influenced other donors by developing successful examples of sustainable reserve management that can be replicated. An interesting result from the *Mbaracayú* Reserve part of the Parks-in-Peril Program is the recent decision of the Government of Paraguay to sign an agreement with the local NGO that manages *Mbaracayú* to jointly administer a new reserve area of more than 100,000 hectares in one of the few remaining important wildlife areas in the eastern region of the country. This has an enormous significance in Paraguay because the government itself initiated this request for cooperation from the private sector without any outside intervention.

The Private Reserve program has progressed towards its objective of protecting private land and creating sustainable economic alternatives. These actions have slowed the rate of deforestation in the country and are conserving biodiversity on private land. The objective level indicator, as illustrated in the performance data tables, shows that three properties have successfully implemented their operational plans for two years. They are considered self-sufficient in the sense that they will not require additional outside funding to maintain their current areas of preservation.

The Mission performed an internal evaluation of its environmental special objective in order to determine ways to accelerate its program and increase its effectiveness. Ideas for a new program will be presented next year as part of the Strategic Plan. In the meantime, the Mission has decided to modify the indicator for the special objective from the number of reserves graduating to self-sufficiency to the number of models of biodiversity conservation and sustainable use of natural resources implemented. The Mission's experience has shown that the model of dedicating entire areas exclusively to biodiversity conservation is more viable in public areas. However, only a small number of private landowners will consider contributing to biodiversity conservation and sustainable use without receiving some form of financial benefits. These financial benefits frequently contribute significantly to actual self-sufficiency and are included in the models developed as part of the new indicator.

National Interest

The Mission gives this special objective a national interest score of eight. The U.S. Embassy Mission Performance Plan goal in the environment is to "promote the conservation and

sustainable use of biodiversity through improved management of natural resources." The Department of State has recently named Paraguay as a key country for biodiversity. The country's efforts in dealing with the environment are of more than local significance and have implications for a significant portion of South America.

Paraguay is losing its forests at the second fastest rate in the Western Hemisphere. The country contains three internationally recognized ecosystems of global consequence (the Chaco, the Atlantic Interior Forest, and the *Cerrado/Pantanal*) which are considered to be at risk owing to unsustainable agricultural practices and possible new activities, such as the proposed Hidrovia project on the Paraguay river. USAID/Paraguay's tightly focused efforts will build on past successes to further sensitize the nation to the need for natural resources conservation.

IR 1.1 New Areas Created with Management Plans Implemented

The Mission was able to meet its target of 18 plans in place this year, but has decided not to continue with this intermediate result. USAID/Paraguay and its local partners have reassessed the value of these plans and determined that, although the implementation of a management plan is an important indicator that the private landowner is actually interested in carrying out environmentally friendly activities, they really are only a means to an end. The Mission believes that these efforts can be more correctly measured at the level of implementation rather than planning. This will be done at the objective level and in the intermediate result, that is devoted to economic alternatives to deforestation.

The environmental program evaluation also revealed that these plans had not considered the feasibility of economic activities nor the potential revenue flows to the owners. The owners and administrators of the properties visited during the evaluation constantly stressed that they needed financial returns from their investments. This was even true for those people who are quite wealthy. The cooperative agreements currently being negotiated with our NGO partners will address this problem and they will be developing a number of feasibility studies related to the economic alternative models.

IR 1.2 Improved Human Capacity to Manage and Understand the Importance of Protected Areas

USAID/Paraguay has learned that it is very difficult to protect a reserve without providing environmental education programs that enlist the support of communities in surrounding areas. While the technical skills to manage a protected area are essential, the practices in buffer zones, such as hunting, clearing land through burning, and seeking economic returns wherever possible, pose serious threats to a protected area. USAID/Paraguay has carried out environmental education activities with local community support and participation in all three properties that have implemented operational plans in order to dissuade them from continuing these harmful practices. This exceeds the target of two set for 1997.

One of the most important educational activities with populations located near these properties is the need to demonstrate the potential of agro-forestry for producing profitable returns. This type of community outreach is being supported by the European Union (EU) through its work with farmer production committees in the buffer zones of *Mbaracayú*. Farmers are receiving training on how to integrate forestry practices with crop diversification and to develop sustainable uses for their natural resources that will provide economic returns. Plans are underway to replicate this program at other private reserves and in buffer zones around national parks.

During the past year an additional scientific tool, the *Red Book on Endangered Paraguayan Fauna*, was prepared. This book will represent an important contribution to the knowledge of the Paraguayan fauna and will be fundamental in designing conservation actions.

IR 1.3 Economic Alternatives to Deforestation in Protected Areas

The conservation of existing forests through sustainable, managed forestry and agro-forestry is the main economic alternative to deforestation. Under this activity, each property will be considered both a conservation unit and a commercial entity, with potential financial alternatives to existing practices identified for each property.

One of the main obstacles to increasing the number of landowners participating in the Private Reserves Program has been the lack of financial incentives which take into consideration the conservation of natural resources. Landowners have not seen the practical benefits of switching from their traditional methods of managing resources. This situation is especially true with medium and small landowners who are economically dependent on the production from their land.

The Mission hopes to demonstrate that by managing natural resources in a profitable manner, the landowners will be able to carry out financially sound activities while still contributing to the protection of ecosystems. Economic alternatives that have been developed to date include two palm heart operations, a lumber mill, a charcoal operation, two yerba mate initiatives, two logging operations, one forestation, and one reforestation project.

Other Donors

USAID/Paraguay's support of the development of SINASIP has lead to the involvement of other donors in biodiversity conservation. One UNDP project on developing a national strategy for biodiversity (\$140,000) and another UNDP program for the protection of regional and global ecosystems in Paraguay (\$12 million) are positive results of the Mission's efforts. These activities are complementary to the Mission's Parks-in-Peril initiative in the *Defensores de Chaco* national park.

The Japanese International Cooperation Agency (JICA) supports the Mission's environmental activities through a \$7 million forestation project that works with local counterparts to provide

appropriate technologies in forest management. The German Technical Cooperation Agency (GTZ) is involved in a \$3.8 million effort to elaborate a national action plan for the protection of natural resources, thereby reinforcing the Mission's earlier efforts in designing SINASIP. The EU has developed a \$18 million sustainable development project for the Chaco region which will enhance USAID/Paraguay's efforts to conserve the valuable and unique ecosystems of this region.

Expected Progress

The Mission will continue working with The Nature Conservancy and the Desdel Chaco Foundation to insure that they develop the capacity to manage the *Defensores del Chaco* national park, promote the development of a large biosphere reserve in the northern Chaco, and pursue the creation of private reserves in this region. During the next year, the Mission will develop a new environmental strategy as part of its Strategic Plan. This will be done in close coordination with other donors and will focus primarily on the Chaco region and other serious environmental threats.

The Chaco is currently facing severe threats due to the planned construction of a major highway through it, which would link the Atlantic and Pacific oceans. Other environmental concerns include the substantial extension of government supplied electricity into the region, the development of an extensive system of new irrigation channels linked to the proposed Hidrovia activities, increased logging and ranching, and population migrations into the Chaco from eastern Paraguay and western Brazil.

USAID/Paraguay will continue tracking the most important development projects and monitoring their potential environmental impact for the country and the region, especially the Hidrovia project. The Private Reserves Program will continue its efforts to develop sustainable natural resource management models. These models will be financially viable and environmentally sound. The Program will encourage landowners to adopt commercial practices that contribute to environmental protection.

Environment Special Objective

OBJECTIVE: Improved Management of an Expanded Protected Areas System			
APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME: Improved management of an expanded protected areas system.			
INDICATOR: Number of models of biodiversity conservation and sustainable use of natural resources implemented.			
UNIT OF MEASURE: Cumulative Number. SOURCE: Moises Bertoni Foundation (FMB) and Desdel Chaco Foundation. INDICATOR DESCRIPTION: Various models of biodiversity conservation and of sustainable use of natural resources will permit more possibilities for the conservation of ecosystems in Paraguay. COMMENTS: The first three models are under the private reserve program. Additional models may be developed in important conservation areas.	Year	Planned	Actual
	96 (B)	2	2
	97	3	3
	98	4	
	99	5	
	00 (T)	6	

Environment S.O. IR 1.1 New Areas Created

OBJECTIVE: Improved Management of an Expanded Protected Areas System			
APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: New areas created with management plans implemented.			
INDICATOR 1: Number of areas created.			
UNIT OF MEASURE: Cumulative number. SOURCE: Moises Bertoni Foundation (FMB). INDICATOR DESCRIPTION: A reserve has to receive a reconnaissance visit and a rapid Ecological Assessment before a management plan is created. The plan includes financial planning, biological monitoring, sustainable development and use of resources, among other issues. COMMENTS: These efforts will not be monitored in the future. These plans are a means to an end that will be measured at the objective level and under IR 1.3.	Year	Planned	Actual
	96 (B)		15
	97	18	18

Environment S.O. IR 1.2 Human Capacity

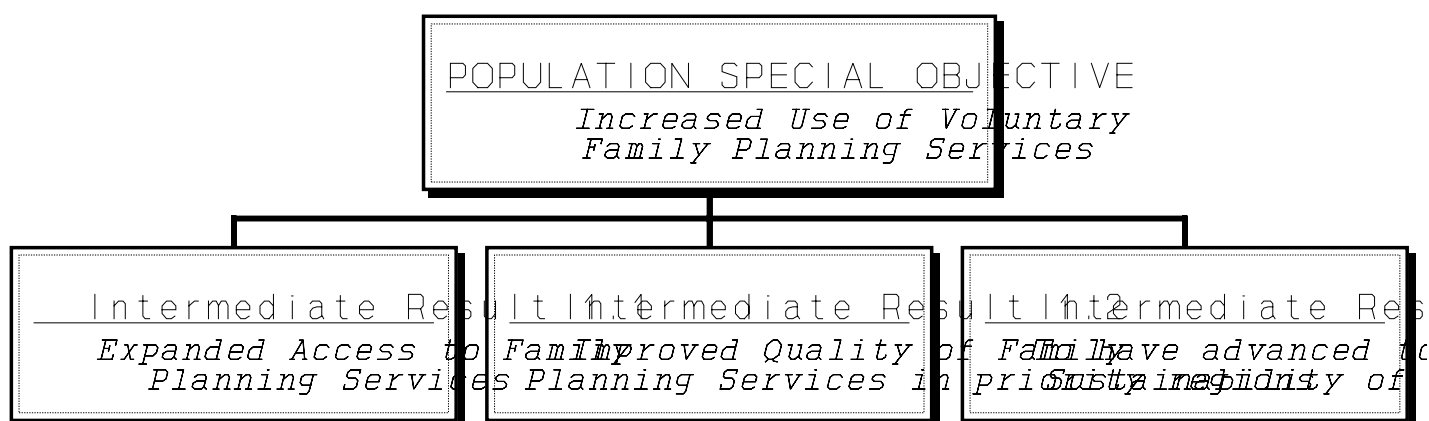
OBJECTIVE: Improved Management of an Expanded Protected Areas System APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.2: Improved human capacity to manage and understand the importance of protected areas.			
INDICATOR: Number of reserves that are offering educational programs to people in the reserves or in buffer zones.			
UNIT OF MEASURE: Cumulative Number. SOURCE: Moises Bertoni Foundation (FMB) and Desdel Chaco Foundation INDICATOR DESCRIPTION: Environmental education programs being conducted that demonstrate some measurable positive impact. COMMENTS: The focus of the future will be to promote the potential of agro-forestry.	YEAR	PLANNED	ACTUAL
	96 (B)	1	1
	97	2	3
	98	4	
	99	7	
	00 (T)	10	

Environment S.O. IR 1.3 Economic Alternatives

OBJECTIVE: Improved Management of an Expanded Protected Areas System APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.3: Economic alternatives to deforestation developed on Reserves.			
INDICATOR: Number of economic alternatives implemented on reserves.			
UNIT OF MEASURE: Cumulative Number. SOURCE: Moises Bertoni Foundation (FMB). INDICATOR DESCRIPTION: Each viable economic alternative being carried out on a private property will be counted. COMMENTS: Information on the number of people or communities participating in sustainable alternative economic activities in reserves or buffer zones will be tracked as a lower level result. These activities will be developed by landowners, indigenous communities, and <i>campesino</i> colonies.	YEAR	PLANNED	ACTUAL
	96 (B)	4	6
	97	8	10
	98	10	
	99	12	
	00(T)	15	

World Population Stabilized and Human Health Protected

Population Special Objective - Increased Use of Voluntary Family Planning Services



Performance Analysis

USAID/Paraguay's progress continues steadily toward meeting, and in some cases, exceeding expectations. Overall progress has met expectations. Paraguay's 3.2 percent population growth per annum is still one of the highest in the hemisphere. The population problem is reflected in the official unemployment rate of 8.2% (which is generally considered even higher in private studies) and has contributed to extremely high maternal and infant mortality rates.

All three IRs report substantial gains. Some examples of success include the innovative use of a theatrical group to reach the target youth population; the adoption of a new Client Oriented, Provider Efficient (COPE) method to improve the quality of family planning services; the introduction of the Intra-uterine Device (IUD) insertion techniques to health care providers; the initiation of a comprehensive new social marketing program; the application of the quality service delivery (QSD) concept in three pilot areas; the completion of a baseline client satisfaction survey that will sensitize a significant number of public health providers in the Mission's focus regions on the QSD concept; the completion of the most advanced

guidelines on reproductive health for public health workers in Latin America; and institution building assistance to steadily improve the activities of the principal local NGO, the Paraguayan Center for Population Studies (CEPEP), working on family planning in Paraguay.

The Ministry of Health (MOH) continues to look to USAID/Paraguay to take the leadership role in family planning. The Mission plays a significant role in the National Council for Reproductive Health. The Council consists of all donor agencies working in this field, the MOH, and numerous governmental entities involved in reproductive health. The Council provides oversight for national family planning activities through the establishment of norms and regulations. It is responsible for the National Plan for Reproductive Health, which includes setting the objectives, indicators, methodology, and expected contribution of donor agencies to assure the success of the plan.

The Mission is working with the two principal providers of reproductive health services in Paraguay, the MOH and CEPEP, which is one of the few institutions in the country dealing with family planning and women's reproductive rights. CEPEP is recovering from a difficult financial situation, but its new management has managed to recover 38% of its total budget expenditure in 1997, demonstrating a slight increase over previous years. New marketing techniques and the expansion of services are being tested to improve CEPEP's financial status.

Combined couple year protection (CYP) of the MOH and CEPEP provided 109,000 CYPs in 1997. This figure was calculated with the new conversion factors suggested by the Global Bureau of Population, Health and Nutrition (G/PHN). This result is below the target of 125,000 CYP for 1997 for several reasons: 1) reduced demand for family planning services from CEPEP and MOH due to unfair competition from stolen contraceptives sold in the local market at very low prices, 2) decreased voluntary surgical contraception at CEPEP's clinics because of reduced funding from the International Planned Parenthood Federation (IPPF) for these procedures, and 3) shortages of supplies at the MOH resulting from the termination of financing the United Nations Fund for Population Activities (UNFPA) project.

USAID/Paraguay provided commodities to cover this emergency situation, but does not plan to continue providing commodities to the MOH beyond FY 1998. The MOH is making appropriate plans to obtain contraceptives through other sources.

The Mission expects to increase the number of CYPs in 1998 based on the implementation of a social marketing project, the MOH's utilization of a new logistics management system, and information, education and communication (IEC) activities which will create a greater demand for family planning services.

National Interest

USAID/Paraguay accords this special objective a national interest score of seven. The U.S. Embassy's Mission Performance Plan goal is to "increase use of voluntary family planning services to stabilize population growth." Paraguay's high population growth rate is placing

growing demands on the country's already overstretched social and physical infrastructure, as well as out-distancing the stagnant economy's ability to absorb excess labor. A significant number of people have emigrated to neighboring Argentina and Brazil in search of better economic opportunities, posing a source of potential instability in those countries. The maternal mortality rate is the fourth highest in the hemisphere due to poor maternal health services, the lack of availability of family planning services, and adolescents becoming sexually active at earlier ages. USAID/Paraguay's program to improve reproductive health and family planning is a major factor in combating these problems. The Mission's assistance will help the country to make inroads in addressing poverty for which rapid population growth is a major causal factor.

IR 1.1: Expanded Access to Family Planning Services

Sixty percent of Paraguay's population is under 25 years of age. Unwanted teenage pregnancy and abortions under unsafe circumstances are among the most serious public health issues in the country. The Mission's strategy for adolescent outreach programs on responsible sexual behavior has reached approximately 10,000 young adults through street performances by a theater group in Asunción and neighboring cities. This theater group, formed by Paraguayan teenagers to discuss the topics of responsible sexual behavior, family planning and the prevention of sexually transmitted diseases, is now expanding to form new groups of adolescent peer educators. A wider audience is captured through a teenage radio program "Capital S for Sex." A survey to measure the impact of this program will be carried out in August 1998.

Adolescent Drama Group Reaches Out to Teenagers

Unwanted teenage pregnancy, lack of information on sexually transmitted diseases, and prevailing social norms and taboos conspire against youth throughout Paraguay. One innovative educational method to assist marginalized youth has been the development of an adolescent drama group called *Arte & Parte*. As part of a program launched by a local NGO, teenage peer educators relate simulated real life stories through sketches focusing on common adolescent sexual behavior. These sketches have proven successful in communicating information on sexual transmitted diseases and common contraception methods, as well as promoting responsible sexual behavior.

Arte & Parte has also produced two videos on family planning and the prevention of sexually transmitted diseases. These are being distributed widely to public schools, health clinics and community groups. In the near future, this group also plans to establish a counseling hotline for adolescents.

Non-scalpel vasectomy has been introduced in two large hospitals in Asunción, increasing male access to this non-traditional option. The program is being marketed within a reproductive health initiative for males. Educating men on family planning and expanding their access to family planning methods is a very important strategy considering that men, especially in rural areas, are unaware or unconcerned about these issues and are frequently opposed to the practice of modern family planning methods.

Empowering people through information, education and communication activities performed

in schools, community gatherings, home visits, through audio-visual materials and counselling sessions is beginning to yield results in Paraguay. Educational materials, training, and surveys are part of a comprehensive IEC national plan being implemented by the Mission with the Ministries of Education and Health to improve access to, and demand for, family planning services. The baseline study conducted in Central and Asuncion has shown an increase in the utilization of MOH facilities for family planning services from 23% in 1996 to 31% in 1997.

A new contraceptive logistics system has been introduced in five regions of the country by the Ministry of Health. This allows MOH personnel to estimate their monthly commodity requirements and provides for a one month stock reserve. Trained MOH staff now supervise the implementation of the system and storage facilities in these regions. By assuring the continuous provision of contraceptives, the demand for consistent family planning services will increase. IUD insertion, a new contraceptive technology in Paraguay, was also introduced to four hospitals in Asunción. Preliminary reports indicate that approximately 1,000 women have benefited from this new technique.

The Mission is now funding the Population Services International (PSI) social marketing program, which is based on the successful Bolivian experience. PSI is developing its own condom brand and will market it to low income people in peri-urban and rural areas at affordable prices through the informal commercial sector. Two mobile audio-visual units will promote the social marketing programs in remote areas of the country. The social marketing program will not undermine the existing commercial market for condoms in Paraguay because it targets a different client group. This activity will expand the overall condom market within the country through advertising and IEC activities. This will increase condom use among the target population and will expand the general public's knowledge of reproductive health. In addition, the advertising that takes place under the program will target those groups who did not previously have access to condoms and will focus on those shops where the target population is most likely to do business. These businesses traditionally have not carried condoms.

IR 1.2 Improved Quality of Family Planning Services

It is important that the target population not only has access to reproductive services, but that those services be of high quality. The Mission is implementing the concept of model quality service delivery (QSD) sites in the departments of Central, Cordillera, and Misiones, as well as in the Municipality of Asuncion. The QSD concept establishes quality standards that are tracked through annual client surveys utilizing the management tool of client oriented provider efficient (COPE.) Minimum conditions at a QSD point include trained and competent staff, suitable facilities to assure confidentiality and privacy, adequate equipment and supplies, minimal waiting time, easy access to services, information on available method choices, and counseling on the proper use of contraceptives in a friendly environment. Other important components of the QSD model are to test new systems of service management, as well as to institutionalize training capacity, data collection, and logistics management. The

QSD concept, has been implemented in three pilot centers, meeting this year's target.

The work on QSD will have a broad impact. A baseline survey that was recently completed of both service providers and clients in the four priority regions shows the need to improve on different aspects of the quality of services; training, facilities, equipment, counseling, logistics, supervision and others. The three ongoing pilots, which will be expanded to five hospitals and four health centers in the priority regions in FY 1998, will serve as replicable models. Seminars and workshops will be utilized as conduits to disseminate information on the experiences of these pilot activities to facilities throughout Paraguay.

The technical capabilities of MOH personnel are being strengthened by the implementation of a manual on guidelines for the provision of reproductive health and family planning services. The manual, the most advanced in all of Latin America, was prepared in tandem with local partners representing academia, the private sector, and the Government of Paraguay and has been approved by the National Council for Reproductive Health. Utilizing World Health Organization (WHO) standards, the manual was presented at the celebration of World Health Day on April 7, 1998. Evaluation of the impact of the dissemination of the new norms will be done thorough client satisfaction surveys.

Counseling to provide adolescent clients with the requisite information to make informed choices on matters relating to reproductive health and the prevention of sexually transmitted diseases is a key service delivery component. Through two workshops with representatives from the MOH, CEPEP, and other local NGOs, 19 trainers-of-trainers were trained. These master trainers are now conducting workshops for local personnel at health facilities throughout the country. An international NGO is developing a set of materials for information, education, and communication on reproductive health and family planning that will be used in health posts and centers.

An operational research project on the decentralization of basic health services is being implemented through the municipalities and local health councils in four cities. The impact of the decentralized management by municipalities and local health councils on the indicators of equity, efficiency, quality, efficacy, and epidemiology will be measured. It is expected that this system will contribute enormously to improving all the factors that affect quality of health services such as the budget, human resources, facilities, equipment, supervision, information and logistics.

IR 1.3: To have Advanced towards Sustainability of Family Planning Services

Administrative advances are being made in providing for sustainability of reproductive health services. The most significant is the institutional strengthening assistance to CEPEP. The organization's management has been improved and training has been provided to personnel. Additionally a new management system has been put in place, an updated information system for accounting and administration has been introduced, and the data collection and analysis capabilities of the organization have been improved. As a result CEPEP is now recovering 38

percent of its budget. CEPEP is changing its program to address the needs of the country's

middle and lower-middle income people, while the MOH is focusing on the poorest of the poor. This new strategy, together with improved physical infrastructure and equipment, bodes well for sustainability over the long term.

The MOH has picked up the salaries of ten regional coordinators from the UNFPA program who would have otherwise been terminated with the closure of this organization's program in country (a new one is under development). The move by the MOH is all the more commendable, given the decline in its share in the national budget. Although the Mission has been unable to track the exact amount of MOH's budget dedicated to family planning and reproductive health initiatives, this action is a clear indication their desire to continue supporting these activities.

Decentralization of basic health services to local governments is a new strategy being implemented in the country to increase access, efficiency and quality of health services. With the implementation of a new Management Information System, a software developed by WHO to calculate productivity and costs by type of service, it will be possible to know the total costs of family planning services provided by MOH and local governments. These costs will be tracked annually to monitor increases or decreases in program sustainability. Once baseline data is generated, the Mission plans on developing a performance indicator related to the percentage of total cost of family planning services being financed locally.

Other donors are making significant contributions to the population special objective. The German Technical Cooperation Agency (GTZ) has a \$1.7 million reproductive health program for adolescents, which complements the USAID/Paraguay program. The UNFPA is expecting a new proposal from the Ministry of Health. The UNDP has been coordinating closely with the Mission. The World Bank has budgeted \$22 million to decrease infant and maternal mortality rates in the northern part of the country through improved hospital facilities and equipment, procurement of medicine and supplies, human resource training, and IEC activities with community outreach. The IDB is planning a similar \$38 million loan to improve the management of the health sector and the provision of primary health care services. USAID/Paraguay's program with the MOH has an excellent opportunity to contribute technical expertise for improving family planning activities and greatly influence the World Bank and IDB projects. The U.S.- Japan Common Agenda is expected to design additional reproductive health and family planning programs during 1998. The Mission will coordinate closely with them.

Expected Progress

PSI will vigorously implement its new social marketing program and will introduce a new condom into the market by August 1998. This project will provide affordable, high quality condoms in non-traditional outlets. In order to monitor the program, information will be developed on the use of condoms and other issues related to responsible sexual behavior in

our target population. This data should provide information as to the extent to which the program is encouraging expanded sales on a nationwide basis. The evaluation will assess what has worked well and suggest adjustments in the program to create an even greater impact in the future. The overall National Reproductive Health Survey will also be carried out later in 1998.

With the expected adoption of the QSD concept in at least five hospitals and four health centers in 1998 and the completion of the client satisfaction survey, the Mission will be well positioned to extend the QSD concept broadly throughout its priority regions. The use of seminars and workshops that build on these experiences will be very helpful. A variety of other activities will be undertaken to extend the QSD concept within Paraguay.

Sustainability is a vital concern. Efforts to put CEPEP on a sounder financial footing will continue. The MOH will be encouraged to develop more reliable sources of contraceptive supplies, from both other donors and under its own budget. By promoting decentralization, local governments will also take on basic health care responsibilities, including family planning and reproductive health activities.

Population Special Objective

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME: Increased use of voluntary family planning services.			
INDICATOR 1: Contraceptive prevalence for women 15-49 using modern methods.			
UNIT OF MEASURE: Percentage. SOURCE: The 1990 and 1995/96 National Reproductive Health Surveys (NRHS) conducted by the Centers for Disease Control (CDC) and the Paraguayan Center for Population Studies (CEPEP) and follow-on surveys. INDICATOR DESCRIPTION: The definition of modern methods includes pill, IUD, condom, tablets, injectables and sterilization. Actual represents the results of the 1995/96 National Reproductive Health Survey. If natural and traditional methods are included prevalence increases to 50.6%. COMMENTS: A 1997 survey showed a slight increase in the prevalence of users of modern methods in Central and Asunción from 48.6% to 53%. The group in the baseline survey are people visiting a public health facility and may not be representative of the entire population. The NRHS in August 1998 will provide updated information for the nation.	YEAR	PLANNED	ACTUAL
	90 (B)		35.3%
	96	40%	41.4%
	97	n/a	n/a
	98	48%	
	99	n/a	
	00 (T)	50%	

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME: Increased use of voluntary family planning services.			
INDICATOR: Couple-years of contraceptive protection (CYP).			
UNIT OF MEASURE: Rate. SOURCE: The Ministry of Health (MOH) and the Paraguayan Center for Population Studies (CEPEP) annual reports of contraceptive supply distribution. INDICATOR DESCRIPTION: CYP is a measure of the estimated protection from pregnancy provided by family planning services during a one-year period based on the volume of all contraceptives sold or distributed during that period. The number of commodities distributed during one year are multiplied by a conversion factor, which yields an estimate of the duration of contraceptive protection provided per unit of that method. COMMENTS: New conversions factors were developed in 1997 to replace the old ones used since 1991. In Paraguay, the Mission has calculated CYP using the old and new methods; the difference is small because the only change is in the conversion factor for condoms. CYP using the old factor is 108,500 and is 109,000 using the new factor.	YEAR	PLANNED	ACTUAL
	96(B)		107,000
	97	125,000	109,000
	98	132,000	
	99	145,000	
	00 (T)	156,000	

Population S.O. IR 1.1 Access

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: Expanded access to family planning services.			
INDICATOR 1: Rural women within 1/2 hour of a service delivery point.			
UNIT OF MEASURE: Percentage. SOURCE: The 1990 and 1995/1996 National Reproductive Health Surveys (NRHS) and follow-on surveys. INDICATOR DESCRIPTION: The survey question asked was how much time does it normally take you to get to your source of supplies. The response was open-ended and expressed in minutes or hours. COMMENTS: NRHS will be repeated in August 1998.	YEAR	PLANNED	ACTUAL
	90 (B)		15%
	96		31%
	97	n/a	n/a
	98	43%	
	99	n/a	
	00 (T)	50%	

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.1: Expanded access to family planning services.			
INDICATOR 2: Urban women within 1/2 hour of a service delivery point.			
UNIT OF MEASURE: Percentage. SOURCE: The 1990 and 1995/1996 National Reproductive Health Surveys (NRHS) and follow-on surveys. INDICATOR DESCRIPTION: The survey question asked was how much time does it normally take you to get to your source (of supplies). The response was open-ended and expressed in minutes or hours. COMMENTS: As a proxy measure a 1997 survey was conducted in the Central department and Asunción covering mainly urban areas. That result was that 94.4% of clients surveyed stated that it was easy to get to the health center. The NRHS will be repeated in August 1998.	YEAR	PLANNED	ACTUAL
	90 (B)		57%
	96		76%
	97	n/a	n/a
	98	78%	
	99	n/a	
	00 (T)	80%	

Population S.O. IR 1.2 Quality

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.2: Improved quality of family planning services in priority regions.			
INDICATOR 1: Quality Service Delivery (QSD) Points providing services in priority regions.			
UNIT OF MEASURE: Number. SOURCE: Management Sciences for Health (MSH) yearly assessments on targeted QSD points in priority regions and local Ministry of Health (MOH) reports. INDICATOR DESCRIPTION: 1. A Quality Service Delivery point is a service delivery site where trained staff, adequate supplies and suitable facilities are present simultaneously for the delivery of a basic package of family planning services to meet client needs. These services include IUD insertion, three modern methods of family planning at a minimum, counseling and adequate follow up. 2. Priority regions are those selected to focus efforts of the program. 3. This measure is cumulative. COMMENTS: The target for 1997 was successfully met. The Mission was requested to increase the number of QSD to create more impact. This strategy will be expanded to at least 5 hospitals and 4 health centers in the priority regions. The MOH has presented a project to UNFPA to expand this strategy to other regions in the country.	YEAR	PLANNED	ACTUAL
	96 (B)	-	0
	97	3	3
	98	12	
	99	20	
	00 (T)	30	

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.2: Improved quality of family planning services in priority regions.			
INDICATOR 2: Users satisfied with Family Planning services provided in Quality Service Delivery (QSD) points in priority regions.			
UNIT OF MEASURE: Percentage. SOURCE: The 1997 Evaluation Project and Management Sciences for Health (MSH) Client Satisfaction Survey. INDICATOR DESCRIPTION: Fifteen variables were considered in constructing 3 categories of clients: highly satisfied, moderately satisfied and not satisfied according to their responses to specific questions on the quality of the service provided. This is a new indicator. COMMENTS: Only 8.4% of clients were highly satisfied with the service in the Central department and Asunción, but 78.8% were moderately satisfied. The Mission plans to refine targets based on the results of the baseline survey being conducted in the Cordillera and Misiones departments and the Interim NRHS Survey to be carried out in August 98.	YEAR	PLANNED	ACTUAL
	96		
	97 (B)		8.4%
	98	10%	
	99	15%	
	00 (T)	20%	

Population S.O. IR 1.3 Sustainability

OBJECTIVE: Increased Use of Voluntary Family Planning Services APPROVED: 05/08/96 COUNTRY/ORGANIZATION: USAID/Paraguay			
RESULT NAME 1.3: To Have Advanced towards the Sustainability of family planning services.			
INDICATOR 1: Income generated by CEPEP.			
UNIT OF MEASURE: Percentage. SOURCE: Paraguayan Center for Population Studies (CEPEP) financial records. INDICATOR DESCRIPTION: The percentage of CEPEP's budget generated from sales of commodities and fees charged for services by type of service as a percentage of their overall budget. COMMENTS: Expressed as a percentage of total locally generated income from service delivery fees.	YEAR	PLANNED	ACTUAL
	94 (B)		15%
	95	25%	35%
	96	37%	35%
	97	37%	38%
	98	40%	
	99	42%	
	00(T)	44%	

Section III
Status of
USAID/Paraguay's
Management Contract

Siempre es más fácil dejar de hacer que hacer.
It's always easier not to do something than to do it.

José Ortega y Gasset

Status of the Management Contract

1. In last year's management contract, the environment special objective was extended to FY 2000. The program is continuing with the Parks-in-Peril activity in a national park in the Chaco region and is developing its final model under the private reserves program, a model of sustainable use of forests. The intermediate result of new areas created with management plans implemented will not be continued. These plans are only a means to achieving solid conservation efforts that are measured at the special objective level. The Mission will develop a new environmental strategy next year as part of its Strategic Plan.
2. USAID/Paraguay is maintaining the workforce level of 17 positions, plus a democracy fellow, which were agreed upon last year. The Mission has increased its number of program funded positions from two to four in accordance with plans developed for last year's R4.
3. During last year's R4 review, the Department of State did not contemplate any FY 1997 Economic Support Funds for Paraguay. In the management contract, it was agreed that USAID/Paraguay send in its request for ESF explaining why civil-military activities were crucial to U.S. foreign policy objectives. The Mission prepared a justification and received \$200,000 in FY 1997. An additional \$500,000 ESF has been received in FY 1998 for electoral support, \$800,000 in ESF is planned in FY 1999 for civil-military and anti-corruption activities, and the Department of State is supporting a request for an additional \$2,000,000 in FY 2000 for expanded anti-corruption and civil-military activities.
4. Concern was expressed last year about the lack of USAID involvement in the Hidrovia navigable waterway development project, and the Mission was advised to collaborate with the U.S. Army Corps of Engineers to ensure that concerns identified in environmental assessments were addressed. This has been done. The Mission's new environmental program will have a stronger focus upon international environmental concerns in Paraguay, such as Hidrovia.
5. To address concerns about the Mission's exit strategy for its pollution prevention (EP3) program, USAID/Paraguay pursued a proactive strategy to obtain assurances from the Inter-American Development that they would assume the funding of the EP3 activity. The IDB has agreed to fund this activity for four years, with total project funding of approximately \$500,000.

Section IV

Resource Request

*El dinero es como un sexto sentido:
sin él no podríamos desarrollar los
otros cinco.*

*Money is like a sixth sense: without it we
cannot develop the other five.*

William Somerset Maugham

Overview

The budget tables in this section show that the Mission's requested funding level for FY 1998 is \$6.125 million, with \$5.625 million from Development Assistance (DA) and \$500,000 Economic Support Fund (ESF) accounts. The FY 1999 Congressional Presentation (CP) for Paraguay shows total funding of \$5.325 million, with a reduction of \$1.1 million in democracy DA funding from the previous year. In response to this reduction in DA funding, the U.S. Ambassador to Paraguay sent a cable to the Assistant Administrator of LAC requesting that the DA levels be restored. The AA/LAC sent a cable responding that "USAID will make maximum efforts to restore as much as possible of the FY 99 funding shortfall." USAID/Paraguay is requesting a total of \$7.025 million for FY 1999, which includes a restoration of the FY 1998 DA level, along with the \$800,000 in ESF previously planned, and includes a request for an additional \$600,000 in family planning activities to improve the quality of these services for priority regions to other areas of Paraguay in order to have a greater impact and directly support the major local NGO involved in family planning and reproductive health to greater expand contraceptive services.

The FY 2000 request includes the same DA funding level as FY 1999, but increases ESF funding to \$2 million. The Department of State strongly supports this increase in ESF which is based upon the need to expand the civil-military dialogue and to strengthen the anti-corruption program to include judicial reform efforts and civic participation in local governance. The total request for FY 2000 is \$8,225 million, which is above the FY 2000 R4 target of \$5.325 million.

With careful planning and well targeted assistance, the request levels will enable USAID to implement a program which adequately responds to the Strategic Plan approved in 1996. The request is fully justifiable on the basis of USAID/Paraguay's successes to date and Paraguay's critical needs in these areas. The successful elections in 1998 are just one step forward on Paraguay's road towards a functioning democracy. The Mission must continue its efforts to strengthen the democratic institutions related to civic education, decentralization, citizen participation, civil-military dialogue, and fight against corruption.

DA Resources Requested for the Democracy Strategic Objective

The Mission is requesting \$3.1 million in DA funding in both FY 1999 and FY 2000 for the democracy strategic objective. This request will enable USAID to provide follow up to the May 1998 national elections and to consolidate the institutional strengthening of the Electoral Tribunal; complete the implementation of health decentralization; increase citizen participation in local government planning and decision-making; enhance the criminal justice system with additional laws and statutes; train officials in the implementation of key judicial reforms; and initiate alternative dispute resolution mechanisms that were not implemented during the past year due to lack of funding.

If USAID/Paraguay is held to the CP target level of \$2 million DA funding in FY 1999 and FY 2000 R4 target level of \$2.8 million DA funding in FY 2000, the Mission will have to discontinue its IR of more efficient and participatory elections. It will not be possible to provide assistance to political parties, nor continue civic education programs in electoral processes. The damage to the Mission's overall democracy strategic objective should be considered in USAID/Washington's resource allocation decisions. Progress in strengthening democratic institutions has been impressive, exceeding expectations, with excellent results reported across the Mission's intermediate results. The U.S. Embassy Country Team endorses this SO to be the highest priority for Paraguay. The goal is "to consolidate and strengthen Paraguay's emerging democratic institutions, encourage good governance and democratic practices, and establish broad based respect for human rights."

DA Resources Requested for Environment Special Objective

The Mission is adhering to the FY 1999 CP and FY 2000 R4 target levels of \$525,000. These levels will enable USAID/Paraguay to continue its Parks-in-Peril program; to develop a fourth model for the biodiversity conservation; and to achieve the level of sustainability specified in its strategy. Considerable interest has been recently expressed in biological diversity (a recent State Department cable has listed Paraguay as a key country for biodiversity); cooperation between Paraguay and neighboring countries on issues of common cross border interest; and the environmental impacts from the Hidrovia project, the Yacyreta dam, and the expected development of the Chaco region. The Mission is currently assessing the feasibility of addressing these concerns and will present an approach in next year's Strategic Plan and R4 submission.

Progress on the environment special objective continues to be on track, with all targets either met or exceeded. The U.S. Embassy Country Team considers the effects of international environmental degradation to be important. The goal is "to promote the conservation and sustainable use of biodiversity through improved management of natural resources."

DA Resources Requested for Population Special Objective

The Mission's requests \$2.6 million in FY 1999 and in FY 2000, of which \$1.430 is for field support in FY 1999 and \$1.3 million is for field support in FY 2000. The request levels are \$600,000 over the 1999 CP submission and the FY 2000 R4 target.

The additional funds will allow USAID/Paraguay to counteract negative population trends (e.g., the fertility rate is high, averaging 5.7 children per woman in rural areas) with new initiatives, such as client focused family planning services, enhanced management systems, improved condom social marketing, and public outreach campaigns aimed at adolescents and young adults. If the Mission is held to previous target levels, it will be forced to limit its planned initiative with the Paraguayan Center for Population Studies (CEPEP), a private group promoting family planning and women's reproductive rights. The Mission will not be able to proceed as aggressively as planned in implementing its new condom social marketing

program; the planned expansion of the number of hospitals providing postpartum IUD service will have to be limited; and the quality service delivery concept will not be extended beyond the pilot activities.

Progress on the population special objective continues meeting and, in some cases, exceeding expectations. The U.S. government considers stabilizing world population to be a priority area within Paraguay. The goal is "to increase use of voluntary family planning services to stabilize population growth."

ESF Resources for the Democracy Strategic Objective

In the FY 1999 CP level budget and the FY 2000 R4 target, changes in DA and ESF levels appear to be complementing one another. It is important to avoid the appearance that there is a trade off between ESF and DA. It is especially important to maintain this distinction in light of the ambassador's recent request for the Department of State to review past ESF program efforts and to assist with programming proposed FY 1999 and FY 2000 funds.

In its FY 1999 and FY 2000 program budget requests, USAID/Paraguay strongly believes that activities in civil-military relations and anti-corruption are important uses of ESF funding. The current civil-military dialogue program has been getting excellent reviews from its participants. The military are uneasy with several of the changes occurring in Paraguay and want to be sure that they will be able to effectively and appropriately participate in the democratic process. It is therefore necessary for USAID/Paraguay to expand its current efforts. This will require approximately \$400,000 in FY 1999 and in FY 2000.

Anti-corruption issues have been prominent themes in the political campaigns during the recent national elections. Paraguay has a notorious international reputation for rampant corruption and extra-official consent to carrying out a wide variety of illegal activities. The Mission plans to work with proven NGOs to encourage citizens to participate in national and local efforts to discourage corruption. Current funding levels do not permit the Mission to adequately address this enormous problem. USAID/Paraguay plans to spend \$400,000 in FY 1999 and \$1.1 million in FY 2000 on these activities.

In addition to working with NGOs to address corruption, USAID/Paraguay will expand its efforts to increase the transparency of the justice system, providing citizens the opportunity to be involved in the system, actually understand how it works, and to ensure their rights. In partnership with local governments and governmental agencies, such as the Controller General, efforts aimed at fighting corruption in FY 2000 will require approximately \$500,000.

Without these ESF levels of \$800,000 in FY 1999 and \$2,000,000 in FY 2000, the Mission will be severely limited in its civil military activities and will be unable to adequately address the increasing problem of corruption that is severely hampering Paraguay's political and economic development.

Objective Name	Rating	Evaluation Findings and Expected Corrective Actions
SO: Improved responsiveness and accountability of key democratic institutions	Exceeded	<p>(1) The well-targeted civic motivation campaigns designed by an NGO network created by the International Foundation for Election Systems (IFES) helped the Electoral Tribunal to exceed its goal of registering 250,000 new voters for the May 1998 Presidential elections and motivated extremely high citizen participation in national elections.</p> <p>(2) At the request of the three political parties, an international study mission was organized by the National Democratic Institute (NDI) to observe the primary elections in order to assess the party's management and organization in preparation for the May 1998 national election. For the first time in Paraguayan history last September's primary elections were open to international scrutiny.</p> <p>(3) A major survey of the justice sector personnel was completed. The survey not only included a training needs assessment for the sector, but it addressed issues regarding professional ethics, current judicial reforms, as well as the profile of the justice sector personnel. The evaluation will allow to the International Center for Judicial Studies of the Supreme Court and the Training Unit the Public Ministry to improve the in-service training program currently being implemented.</p>
SpO: Improved management of an expanded protected areas system	Exceeded	<p>(1) An evaluation of the environmental program was conducted in 1997. The principal finding was the need to adjust the Mission's approach to focus upon sustainable use of natural resources as well as biodiversity conservation. The Mission has taken the action. As a result, more land will be protected against further environmental degradation.</p>
SpO: Increased use of voluntary family planning services	Met	<p>(1) As a result of a 1997 evaluation of the QSD pilot delivery project, this activity will be expanded to five hospitals in Central department and four health centers in Cordillera and Misiones departments in 1998.</p> <p>(3) The Mission supported a major evaluation of the condom market in Paraguay conducted by Population Services International (PSI). Based on its findings, PSI will launch a large contraceptive social marketing initiative to increase access to contraceptives through the informal commercial sector of adolescents, young adults and couples, in rural areas.</p>
Percent funding through NGOs and PVOs: FY98: 85% FY99: 92% and FY00: 90%		

USAID FY 1998 Budget Request by Program/Country

Country/Program: USAID/Paraguay
Scenario: Base Level

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S.O. # , Title		FY 1998																FY 1999	
Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.		
SO 1: Improved Responsiveness and Accountability of Key Democratic Institutions																			
	Bilateral	2,733	3,425										3,425	3,310	10,550				
	Field Spt	350	175										175	350					
	Total	3,083	3,600	0		0	0	0	0	0	0	0	3,600			0	FY 2000		
SO 2: Improved Management of Expanded Protected Areas System																			
	Bilateral	170	525									525		300					
	Field Spt		0																
	Total	170	525	0		0	0	0	0	0	0	525	0			0	FY 2000		
SO 3: Increased Use of Voluntary Family Planning Services																			
	Bilateral	300	800				800							500	5,000				
	Field Spt	2,069	1,200				1,200							2,040					
	Total	2,369	2,000	0		0	2,000	0		0	0	0	0			0	FY 2000		
	Bilateral		0									0				0	XX		
	Field Spt		0																
	Total	0	0	0		0	0	0		0	0	0	0			0			
	Bilateral		0													0	XX		
	Field Spt		0																
	Total	0	0	0		0	0	0		0	0	0	0			0			
	Bilateral		0													0	XX		
	Field Spt		0																
	Total	0	0	0		0	0	0		0	0	0	0			0			
	Bilateral		0													0	XX		
	Field Spt		0																
	Total	0	0	0		0	0	0		0	0	0	0			0			
	Bilateral		0													0	XX		
	Field Spt		0																
	Total	0	0	0		0	0	0		0	0	0	0			0			
	Bilateral		0													0	XX		
	Field Spt		0																
	Total	0	0	0		0	0	0		0	0	0	0			0			
Total Bilateral		3,203	4,750	0		0	800	0		0	0	525	3,425						
Total Field Support		2,419	1,375	0		0	1,200	0		0	0	0	175						
TOTAL PROGRAM		5,622	6,125	0		0	2,000	0		0	0	525	3,600			0			

FY 1998 Request Sector Totals -- DA	
Econ Growth	0
[Of which Microenterpris	0]
HCD	0
PHN	2,000
Environment	525
[Of which Biodiversity]	525
Democracy	3,100
Humanitarian	0

FY 1998 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise]	0]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0]
Democracy	500
Humanitarian	0

FY 2001 Target Program Level	8,225
FY 2002 Target Program Level	8,225
FY 2003 Target Program Level	8,225

USAID FY 1999 Budget Request by Program/Country

Country/Program: USAID/Paraguay
Scenario: Base Level

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S.O. # , Title	FY 1999																FY 2000	
	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 98	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
SO 1: Improved Responsiveness and Accountability of Key Democratic Institutions																		
		Bilateral	2,848	3,825										3,825	4,500	10,550		
		Field Spt	175	75										75	150			
		Total	3,023	3,900	0		0	0		0	0	0	0	3,900			0	
SO 2: Improved Management of Expanded Protected Areas System																		
		Bilateral	395	525									525		500			
		Field Spt		0														0 FY 2000
		Total	395	525	0		0	0		0	0	0	525	0			0	
SO 3: Increased Use of Voluntary Family Planning Services																		
		Bilateral	600	1,170				1,170							900	5,000		
		Field Spt	1,632	1,430				1,430							2,200			0 FY 2000
		Total	2,232	2,600	0		0	2,600	0		0	0	0	0			0	
		Bilateral		0									0				0	XX
		Field Spt		0														
		Total	0	0	0		0	0		0	0	0	0	0			0	
		Bilateral		0													0	XX
		Field Spt		0														
		Total	0	0	0		0	0		0	0	0	0	0			0	
		Bilateral		0													0	XX
		Field Spt		0														
		Total	0	0	0		0	0		0	0	0	0	0			0	
		Bilateral		0													0	
		Field Spt		0														
		Total	0	0	0		0	0		0	0	0	0	0			0	
		Bilateral		0													0	
		Field Spt		0														
		Total	0	0	0		0	0		0	0	0	0	0			0	
Total Bilateral			3,843	5,520	0		0	1,170	0		0	0	525	3,825				
Total Field Support			1,807	1,505	0		0	1,430	0		0	0	0	75				
TOTAL PROGRAM			5,650	7,025	0		0	2,600	0		0	0	525	3,900			0	

FY 1999 Request Sector Totals -- DA	
Econ Growth	0
[Of which Microenterprise]	0
HCD	0
PHN	2,600
Environment	525
[Of which Biodiversity]	525
Democracy	3,100
Humanitarian	0

FY 1999 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise]	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy	800
Humanitarian	0

FY 2001 Target Program Level	8,225
FY 2002 Target Program Level	8,225
FY 2003 Target Program Level	8,225

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

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Country/Program: USAID/Paraguay
Scenario: Base Level

S.O. # , Title	Approp. Acct	Bilateral/Fi eld Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000												Future Cost (POST 2000)	Year of Final Oblig.
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 00	Est. Total Cost life of SO		
SO 1: Improved Responsiveness and Accountability of Key Democratic Institutions																		
		Bilateral	2,273	5,025										5,025	5,000	10,550	0 FY 2000	
		Field Spt	100	75										75	175			
		Total	2,373	5,100	0		0	0	0	0	0	0	0	5,100			0	
SO 2: Improved Management of Expanded Protected Areas System																		
		Bilateral	420	525									525		600		0 FY 2000	
		Field Spt		0														
		Total	420	525	0		0	0	0	0	0	0	525	0			0	
SO 3: Increased Use of Voluntary Family Planning Services																		
		Bilateral	870	1,300				1,300							1,200	5,000	0 FY 2000	
		Field Spt	862	1,300				1,300							1,100		0	
		Total	1,732	2,600	0		0	2,600	0	0	0	0	0	0			0	
		Bilateral		0									0				0 XX	
		Field Spt		0														
		Total	0	0	0		0	0	0	0	0	0	0	0			0	
		Bilateral		0													0 XX	
		Field Spt		0														
		Total	0	0	0		0	0	0	0	0	0	0	0			0	
		Bilateral		0													0 XX	
		Field Spt		0														
		Total	0	0	0		0	0	0	0	0	0	0	0			0	
		Bilateral		0													0	
		Field Spt		0														
		Total	0	0	0		0	0	0	0	0	0	0	0			0	
Total Bilateral			3,563	6,850	0		0	1,300	0		0	0	525	5,025				
Total Field Support			962	1,375	0		0	1,300	0		0	0	0	75				
TOTAL PROGRAM			4,525	8,225	0		0	2,600	0		0	0	525	5,100			0	

FY 2000 Request Sector Totals -- DA		
Econ Growth		0
[Of which Microenterprise]		0
HCD		
PHN		2,600
Environment		525
[Of which Biodiversity]		525
Democracy		3,100
Humanitarian		0

FY 2000 Request Sector Totals -- ESF		
Econ Growth		0
[Of which Microenterprise]		0
HCD		0
PHN		0
Environment		0
[Of which Biodiversity]		0
Democracy		2,000
Humanitarian		0

FY 2001 Target Program Level	8,225
FY 2002 Target Program Level	8,225
FY 2003 Target Program Level	8,225

Prioritization of Objectives

The Mission's strategic objectives are prioritized as follows:

- (1) Democracy Strategic Objective: Improved Responsiveness and Accountability of Key Democratic Institutions;
- (2) Population Special Objective: Increased Use of Voluntary Family Planning Services;
- (3) Environment Special Objective: Improved Management of Expanded Protected Areas System.

This prioritization reflects USAID/Paraguay's assessment of the importance of the objectives for facilitating Paraguay's democratic transition and is consistent with the U.S. Embassy Country Team's national interest assessment within its Mission Program Plan.

Notwithstanding this ranking, it must be emphasized that all three SOs are integral parts of the Mission's strategy and are making significant contributions to Paraguay's development. As specified in the performance section, democracy is the critical component in Paraguay's development and is of strategic importance to U.S. national interests in Paraguay. In order to make the transition to a viable democracy, it is important that the electoral process become more transparent and participatory, that power be divested to local governments, that the judicial system be strengthened, and that civil-military relations be constructive.

Linkage with Centrally and Regionally Funded Mechanisms

The Mission's request assumes field support levels of \$1.505 million in FY 1999 and \$1.375 million in FY 2000. The vast majority of this field support is under the population special objective. These activities are primarily for critical expertise and commodities for PSI's social marketing activities in order to fulfill USAID/Paraguay's management contract. The proportion of population funds attributed to field support declines slightly from 60 percent to 50 percent over the planning period. This is no reflection on the quality or timeliness of the Global mechanism. After having supported its population program for several years entirely with field support, the Mission has been moving in recent years to more balanced approach between the bilateral and Global mechanisms. This allows the Mission to take advantage of Global's expertise while maintaining closer management supervision over the critical local components of the program.

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1998 Obligated by:		FY 1999 Obligated by:		FY 2000 Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
Democracy Strategic Objective	NDI - 936-5468	High	Sept. 1998		100		0		0
Democracy Strategic Objective	Democracy Fellow - 936-5468	High	Sept. 2000		25		75		75
Democracy Strategic Objective	Peace Corps - 936-1421	Medium	Sept. 1999		50		0		0
Population Special Objective	JSI/FPLM - 936-3038.02	Medium	Sept. 2001		50		50		0
Population Special Objective	MSH/FPMD - 936-3055	Medium-High	Sept. 2001		0		150		150
Population Special Objective	AVSC - 936-3068	High	Sept. 2001		350		430		450
Population Special Objective	PATHFINDER/FOCUS - 936-3073	N/A	Sept. 2001		0		0		0
Population Special Objective	FHI - 936-3079	N/A	Sept. 2001		0		0		0
Population Special Objective	JHU/PCS - 936-3052	High	Sept. 2001		350		300		300
Population Special Objective	CCP - 936-3057	Medium-High	Sept. 2001		0		100		150
Population Special Objective	MEASURE II - 936-3083.02	High	Sept. 2001		250		150		150
Population Special Objective	CDC/SURVEY - 936-3038.01	High	Sept. 2001		100		150		50
Population Special Objective	PRIME - 936-3072	Medium-High	Sept. 2001		100		100		50
GRAND TOTAL.....					1,375		1,505		1,375

* For Priorities use high, medium-high, medium, medium-low, low

In FY 1997, USAID/Paraguay received approval for a workforce ceiling of 17 positions, plus one democracy fellow. This level is essential for the implementation of USAID/Paraguay's management contract through FY 2000. Staffing patterns remain unchanged through FY 2000. The Mission believes that planned results may be achieved within the current overall workforce ceiling, but that shifting the current program funded democracy position to that of a USDH starting in FY 1999 is essential. Democracy, which is USAID/Paraguay's most critical SO, is also rated as the USG's highest priority in Paraguay.

A highly qualified direct hire is urgently needed to manage the democracy strategic objective. Institutionalizing democracy through adherence to democratic practices and respect for human rights is the highest priority for the U.S. Government in Paraguay. The Mission believes it essential that a USDH serve as the team leader for the democracy SO. The team leader needs to be involved in all management decisions regarding the SO. This includes the ability to develop and manage all acquisition and assistance agreements. A Personal Services Contractor is a less viable option because of the need to actively participate in various interagency democracy strategy meetings with Embassy and other USG personnel combined with the fact that preparation and access to classified communications are critical to achieving U.S. national interest in this area. Additionally, only a USDH can sign Modified Acquisition and Assistance Request Documents (MAARDs). The Mission currently has 12 assistance and acquisition agreements under its democracy SO.

USAID/Paraguay has adhered to Agency guidance on the appropriate use and funding of non-direct hire employees. A Fellow, not included in the FTE limit, is working directly under the Democracy SO and only has specific appropriate duties assigned to her. Four other employees, three FSNs and one USPSC, are now program funded, as was promised in last year's R4. None of the remaining staff could be justifiably transferred from OE funding. This Mission is maintaining the same staff levels while continually managing a higher percentage of its programs locally. Global field support funds do not require the close financial scrutiny and staff time that local management dictates.

USAID/Paraguay Workforce Tables

256-USAID/PARAGUAY FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	0.5					0.5		1	1						1	2
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited	0.5							0.5			0.5				0.5	1
Program	1							1							0	1
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1							1							0	1
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1				0.5	1		2.5	1	1.5	4				6.5	9
Program	1				1	1		3							0	3
Total Staff Levels	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
TAACS								0							0	0
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

USAID/Paraguay Workforce Tables

256-USAID/PARAGUAY FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	0.5					0.5		1	1						1	2
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited	0.5							0.5			0.5				0.5	1
Program	1							1							0	1
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1							1							0	1
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1				0.5	1		2.5	1	1.5	4				6.5	9
Program	1				1	1		3							0	3
Total Staff Levels	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
TAACS								0							0	0
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

256-USAID/PARAGUAY FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1.5					0.5		2	1						1	3
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited	0.5							0.5			0.5				0.5	1
Program								0							0	0
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1							1							0	1
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1				0.5	1		2.5	1	1.5	4				6.5	9
Program	1				1	1		3							0	3
Total Staff Levels	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
TAACS								0							0	0
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

USAID/Paraguay Workforce Tables

256-USAID/PARAGUAY FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	0.5					0.5		1	1						1	2
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited	0.5							0.5			0.5				0.5	1
Program	1							1							0	1
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1							1							0	1
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1				0.5	1		2.5	1	1.5	4				6.5	9
Program	1				1	1		3							0	3
Total Staff Levels	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
TAACS								0							0	0
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

256-USAID/PARAGUAY FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1.5					0.5		2	1						1	3
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited	0.5							0.5			0.5				0.5	1
Program								0							0	0
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1							1							0	1
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1				0.5	1		2.5	1	1.5	4				6.5	9
Program	1				1	1		3							0	3
Total Staff Levels	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
TAACS								0							0	0
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

USAID/Paraguay Workforce Tables

256-USAID/PARAGUAY FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1.5					0.5		2	1						1	3
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program	0.5							0.5			0.5				0.5	1
								0							0	0
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited	1							1							0	1
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited Program	1				0.5	1		2.5	1	1.5	4				6.5	9
	1				1	1		3							0	3
Total Staff Levels	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
TAACS								0							0	0
Fellows	1							1							0	1

1/ Excluding TAACS and Fellows

USAID/Paraguay Workforce Tables

256-USAID/PARAGUAY								Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
Summary	SO/SpO Staff								Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
On-Board Estimate	SO 1	SO 2	SO 3	SO 4	SpO 1	SpO 2	SpO 3									
FY 1998:																
U.S. Direct Hire	0.5	0	0	0		0.5	0	1	1	0	0	0	0	0	1	2
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	1.5	0	0	0	0.5	1	0	4	1	1.5	4.5	0	0	0	7	11
Total OE Funded Staff	2	0	0	0	0.5	1.5	0	5	2	1.5	4.5	0	0	0	8	13
Program Funded	2	0	0	0	1	1	0	4	0	0	0	0	0	0	0	4
Total FY 1998	4	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
FY 1999 Target:																
U.S. Direct Hire	0.5	0	0	0		0.5	0	1	1	0	0	0	0	0	1	2
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2.5	0	0	0	0.5	1	0	4	1	1.5	4.5	0	0	0	7	11
Total OE Funded Staff	3	0	0	0	0.5	1.5	0	5	2	1.5	4.5	0	0	0	8	13
Program Funded	2	0	0	0	1	1	0	4	0	0	0	0	0	0	0	4
Total FY 1999 Target	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
FY 1999 Request:																
U.S. Direct Hire	1.5	0	0	0		0.5	0	2	1	0	0	0	0	0	1	3
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2.5	0	0	0	0.5	1	0	4	1	1.5	4.5	0	0	0	7	11
Total OE Funded Staff	4	0	0	0	0.5	1.5	0	6	2	1.5	4.5	0	0	0	8	14
Program Funded	1	0	0	0	1	1	0	3	0	0	0	0	0	0	0	3
Total FY 1999 Request	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
FY 2000 Target:																
U.S. Direct Hire	0.5	0	0	0		0.5	0	1	1	0	0	0	0	0	1	2
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2.5	0	0	0	0.5	1	0	4	1	1.5	4.5	0	0	0	7	11
Total OE Funded Staff	3	0	0	0	0.5	1.5	0	5	2	1.5	4.5	0	0	0	8	13
Program Funded	2	0	0	0	1	1	0	4	0	0	0	0	0	0	0	4
Total FY 2000 Target	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
FY 2000 Request:																
U.S. Direct Hire	1.5	0	0	0		0.5	0	2	1	0	0	0	0	0	1	3
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2.5	0	0	0	0.5	1	0	4	1	1.5	4.5	0	0	0	7	11
Total OE Funded Staff	4	0	0	0	0.5	1.5	0	6	2	1.5	4.5	0	0	0	8	14
Program Funded	1	0	0	0	1	1	0	3	0	0	0	0	0	0	0	3
Total FY 2000 Request	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17
FY 2001 Estimate:																
U.S. Direct Hire	1.5	0	0	0		0.5	0	2	1	0	0	0	0	0	1	3
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2.5	0	0	0	0.5	1	0	4	1	1.5	4.5	0	0	0	7	11
Total OE Funded Staff	4	0	0	0	0.5	1.5	0	6	2	1.5	4.5	0	0	0	8	14
Program Funded	1	0	0	0	1	1	0	3	0	0	0	0	0	0	0	3
Total FY 2001 Estimate	5	0	0	0	1.5	2.5	0	9	2	1.5	4.5	0	0	0	8	17

USAID/Paraguay Workforce Tables

MISSION :

256-USAID/PARAGUAY

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01SMG	1	1	1	1
02 Program Off.				
03 EXO				
04 Controller				
05/06/07 Secretary				
10 Agriculture.				
11Economics				
12 GDO				
12 Democracy		1	1	1
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.				
25 Engineering				
40 Environ				
50 Health/Pop.				
60 Education				
75 Physical Sci.				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO	1	1	1	1
95 IDI				
Other*				
TOTAL	2	3	3	3

*please list occupations covered by other if there are any

Operating Expense Narrative

USAID/Paraguay is asking for the following increases in the annual operating expense budget (exclusive of ICASS costs):

Fiscal Year	Current Budget	Amount Requested	Total
FY 1999	\$690,000	\$85,300	\$775,300
FY 2000	\$690,000	\$20,000	\$710,000

Fiscal Year 1999: The Mission requests the operating expense budget for FY 1999 be increased by \$85,300 to cover the additional U.S. Direct Hire position requested. The Mission must recruit the most qualified individual for this extremely sensitive position. Failure to obtain the necessary funds to recruit a USDH will adversely affect the democracy program by limiting planned new activities to reduce corruption and improve civil military relations, two areas of critical importance to Paraguay's democratic transition consolidation. With an attempted coup barely two years ago that very nearly toppled the fledgling democratic government, new democratic procedures were disrupted before they had a chance of becoming institutionalized. The Mission feels very strongly that the Agency must firmly support this strategic objective which is vital to achieving the USG's highest priority in Paraguay.

Fiscal Year 2000: A very minor increase of \$20,000 is being requested for FY 2000. All other ongoing costs for the requested USDH position will be absorbed within the present levels for this year. This small increase will allow the Mission to acquire computer and software upgrades that will not be possible in earlier years.

Year 2000 Compliance: Solution to the Y2K problem for USAID/Paraguay will not be possible without sufficient OE resources. The Mission has designated a Y2K compliance contact person and completed a review of all systems to identify potential Y2K problems. Having completed this study, the total amount needed to resolve the Mission's Y2K problems and update the computer system to Agency standards is estimated to be \$45,000.

The cost to acquire the necessary hardware upgrades is approximately \$31,000. This would include two new servers which would be the basis for a Y2K compliant local area network (LAN) system as well as provide a viable backup. While less costly and temporary, patches may be possible for other hardware peripherals, but the purchase of a new server and backup is essential to guaranteeing communication capability. Another \$14,000 will also be needed to purchase the Agency standard desktop suite software packages. The Mission recognizes that the OE increases requested may be difficult for the LAC Bureau to support, but these funds are essential for the Mission to become Y2K compliant by October 1, 1999.

International Cooperative Administrative Support Services (ICASS): The Mission's ICASS costs are projected at \$93,300 in FY 1999 and \$107,300 in FY 2000. All of the ICASS costs are attributed to OE funds. Although the Mission is currently carrying one program funded USPSC, it was considered more feasible to administer the position with ICASS OE due to the small amount involved. Nevertheless, the Mission plans to review this situation and determine if OE savings could be obtained by allocating an appropriate portion of ICASS costs to program funds during this fiscal year.

Future Activities: There is no discreet activity that can be identified as the one to be cut first if adequate OE funds are not provided. Because the Mission staff is so small and all justifiable transfers have already been made from OE to program funding, no single activity may be segregated. All program activities will suffer from a corresponding decrease in administrative support. In the past year, the Mission made a conscious effort to reduce OE costs by transferring two OE funded positions to program funding and by decreasing ICASS costs from the estimated \$117,000 for FY 98 to only \$61,000.

USAID/Paraguay Operating Expense (OE) Table

Org. Title: USAID/PARAGUAY		Overseas Mission Budgets														
Org. No:	526	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	54.5		54.5	55.2		55.2	55.2		55.2	54.2		54.2	54.2		54.2
	Subtotal OC 11.1	54.5	0	54.5	55.2	0	55.2	55.2	0	55.2	54.2	0	54.2	54.2	0	54.2
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH			0			0			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	33.9		33.9	35.6		35.6	35.6		35.6	37.2		37.2	37.2		37.2
11.8	FN PSC Salaries	238.2		238.2	224.4		224.4	224.4		224.4	221		221	211		211
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	272.1	0	272.1	260	0	260	260	0	260	258.2	0	258.2	248.2	0	248.2
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	41.4		41.4	42.7		42.7	55		55	45.5		45.5	59.0		59
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances			0			0			0			0			0
12.1	Other Misc. USDH Benefits	0.7		0.7	0.7		0.7	1.4		1.4	0		0	0		0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits	4		4	3.3		3.3	3.3		3.3	3.2		3.2	3.2		3.2
12.1	US PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC			0			0			0			0			0
12.1	Other FN PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	46.1	0	46.1	46.7	0	46.7	59.7	0	59.7	48.7	0	48.7	62.2	0	62.2
13	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FNDH			0			0			0			0			0
13	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FN PSCs			0			0			0			0	0		0
13	Other Benefits for Former Personnel - FN PSCs			0			0			0			0	0		0

USAID/Paraguay Operating Expense (OE) Table

Org. Title: USAID/PARAGUAY		Overseas Mission Budgets														
Org. No: 526		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Training Travel			0			0			0			0			0
21	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Post Assignment Travel - to field	6.5		6.5	7.0		7.0	14.0		14.0	0.0		0.0	0.0		0.0
21	Assignment to Washington Travel	6.5		6.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
21	Home Leave Travel	0		0	5.0		5.0	5.0		5.0	8.0		8.0	8.0		8.0
21	R & R Travel	5.0		5	5.0		5.0	10.0		10.0	5.5		5.5	11.0		11.0
21	Education Travel	0		0	2.5		2.5	2.5		2.5	2.7		2.7	2.7		2.7
21	Evacuation Travel			0			0			0			0			0
21	Retirement Travel			0			0			0			0			0
21	Pre-Employment Invitational Travel			0			0			0			0			0
21	Other Mandatory/Statutory Travel			0			0			0			0			0
21	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Site Visits - Headquarters Personnel	12.5		12.5	10.5		10.5	10.3		10.3	10.3		10.3	10.3		10.3
21	Site Visits - Mission Personnel	8.5		8.5	9.0		9	8.8		8.8	8.8		8.8	8.7		8.7
21	Conferences/Seminars/Meetings/Retreats	2.5		2.5	3.0		3	3		3	3		3	3		3
21	Assessment Travel			0			0			0			0			0
21	Impact Evaluation Travel			0			0			0			0			0
21	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21	Recruitment Travel			0			0			0			0			0
21	Other Operational Travel			0			0			0			0			0
	Subtotal OC 21.0	41.5	0	41.5	42	0	42	53.6	0	53.6	38.3	0	38.3	43.7	0	43.7
22	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22	Post assignment freight	60.0		60.0	30.0		30.0	30.0		30.0			0.0			0.0
22	Home Leave Freight	4.0		4.0	5.0		5.0	5.0		5.0	5.0		5.0	5.0		5.0
22	Retirement Freight			0.0			0.0			0.0			0.0			0.0
22	Transportation/Freight for Office Furniture/Equip.	3.0		3.0	1.0		1.0	1.0		1.0	1.0		1.0	1.0		1.0
22	Transportation/Freight for Res. Furniture/Equip.			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 22.0	67.0	0.0	67.0	36.0	0.0	36.0	36.0	0.0	36.0	6.0	0.0	6.0	6.0	0.0	6.0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	36.0		36.0	40.0		40.0	40.0		40.0	45.0		45.0	45.0		45.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences	54.0		54.0	54.0		54.0	79.0		79.0	55.0		55.0	80.0		80.0
	Subtotal OC 23.2	90.0	0.0	90.0	94.0	0.0	94.0	119.0	0.0	119.0	100.0	0.0	100.0	125.0	0.0	125.0
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	4.0		4.0	5.0		5.0	5.0		5.0	5.5		5.5	5.5		5.5
23.3	Residential Utilities	6.0		6.0	6.3		6.3	9.5		9.5	6.6		6.6	9.9		9.9
23.3	Telephone Costs	38.0		38.0	40.0		40.0	40.0		40.0	44.0		44.0	44.0		44.0
23.3	ADP Software Leases			0.0			0.0			0.0			0.0			0.0

USAID/Paraguay Operating Expense (OE) Table

Org. Title: USAID/PARAGUAY		Overseas Mission Budgets														
Org. No:	526	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
23.3	ADP Hardware Lease			0.0			0.0			0.0			0.0			0.0
23.3	Commercial Time Sharing			0.0			0.0			0.0			0.0			0.0
23.3	Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0			0.0
23.3	Other Mail Service Costs			0.0			0.0			0.0			0.0			0.0
23.3	Courier Services			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 23.3	48.0	0.0	48.0	51.3	0.0	51.3	54.5	0.0	54.5	56.1	0.0	56.1	59.4	0.0	59.4
24	Printing and Reproduction			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0			0.0
25.1	Management & Professional Support Services			0.0			0.0			0.0			0.0			0.0
25.1	Engineering & Technical Services			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	34.0		34.0	35.5		35.5	35.5		35.5	37.0		37.0	37.0		37.0
25.2	Residential Security Guard Services	1.5		1.5	2.0		2.0	3.0		3.0	2.3		2.3	3.3		3.3
25.2	Official Residential Expenses	1.2		1.2	1.2		1.2	1.2		1.2	1.2		1.2	1.2		1.2
25.2	Representation Allowances	0.6		0.6	0.6		0.6	0.6		0.6	0.6		0.6	0.6		0.6
25.2	Non-Federal Audits			0.0			0.0			0.0			0.0			0.0
25.2	Grievances/Investigations			0.0			0.0			0.0			0.0			0.0
25.2	Insurance and Vehicle Registration Fees			0.0			0.0			0.0			0.0			0.0
25.2	Vehicle Rental			0.0			0.0			0.0			0.0			0.0
25.2	Manpower Contracts			0.0			0.0			0.0			0.0			0.0
25.2	Records Declassification & Other Records Services			0.0			0.0			0.0			0.0			0.0
25.2	Recruiting activities			0.0			0.0			0.0			0.0			0.0
25.2	Penalty Interest Payments			0.0			0.0			0.0			0.0			0.0
25.2	Other Miscellaneous Services			0.0			0.0			0.0			0.0			0.0
25.2	Staff training contracts			0.0			0.0			0.0			0.0			0.0
25.2	ADP related contracts			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.2	37.3	0.0	37.3	39.3	0.0	39.3	40.3	0.0	40.3	41.1	0.0	41.1	42.1	0.0	42.1
25.3	Purchase of goods and services from Government ac	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	60.8		60.8	70.2		70.2	93.3		93.3	80.6		80.6	107.3		107.3
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.3	60.8	0.0	60.8	70.2	0.0	70.2	93.3	0.0	93.3	80.6	0.0	80.6	107.3	0.0	107.3
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	4.0		4.0	4.2		4.2	4.2		4.2	4.5		4.5	4.5		4.5
25.4	Residential Building Maintenance	5.0		5.0	5.5		5.5	7.0		7.0	6.0		6.0	7.0		7.0
	Subtotal OC 25.4	9.0	0.0	9.0	9.7	0.0	9.7	11.2	0.0	11.2	10.5	0.0	10.5	11.5	0.0	11.5

USAID/Paraguay Operating Expense (OE) Table

Org. Title: USAID/PARAGUAY				Overseas Mission Budgets														
Org. No: 526				FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
OC				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.7	Operation/maintenance of equipment & storage of goods			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0.0			0.0			0.0			0.0			0.0		
25.7	Storage Services			0.0			0.0			0.0			0.0			0.0		
25.7	Office Furniture/Equip. Repair and Maintenance			6.5			7.0			7.0			6.7			6.7		
25.7	Vehicle Repair and Maintenance			9.6			9.0			9.0			9.0			9.0		
25.7	Residential Furniture/Equip. Repair and Maintenance			6.0			6.0			6.0			6.0			6.0		
Subtotal OC 25.7				22.1	0.0	22.1	22.0	0.0	22.0	22.0	0.0	22.0	21.7	0.0	21.7	21.7	0.0	21.7
25.8	Subsistence and support of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0			0.0		
Subtotal OC 25.8				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	Supplies and materials			13.1			14.0			14.0			14.0			14.0		
Subtotal OC 26.0				13.1	0.0	13.1	14.0	0.0	14.0	14.0	0.0	14.0	14.0	0.0	14.0	14.0	0.0	14.0
31	Equipment			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31	Purchase of Residential Furniture/Equip.			0.0			0.0			30.0			30.0			0.0		
31	Purchase of Office Furniture/Equip.			0.0			0.0			0.0			0.0			0.0		
31	Purchase of Vehicles			20.0			0.0			0.0			0.0			0.0		
31	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0			0.0		
31	ADP Hardware purchases			19.2			19.8			19.8			41.2			41.2		
Subtotal OC 31.0				39.2	0.0	39.2	19.8	0.0	19.8	49.8	0.0	49.8	41.2	0.0	41.2	22.0	0.0	22.0
32	Lands and structures			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32	Purchase of Land & Buildings (& construction of bldgs.)			0.0			0.0			0.0			0.0			0.0		
32	Purchase of fixed equipment for buildings			0.0			0.0			0.0			0.0			0.0		
32	Building Renovations/Alterations - Office			0.0			0.0			0.0			0.0			0.0		
32	Building Renovations/Alterations - Residential			0.0			0.0			0.0			0.0			0.0		
Subtotal OC 32.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42	Claims and indemnities			0.0			0.0			0.0			0.0			0.0		
Subtotal OC 42.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET				800.7	0.0	800.7	760.2	0.0	760.2	868.6	0.0	868.6	770.6	0.0	770.6	817.3	0.0	817.3
Dollars Used for Local Currency Purchases				435.0			418.0			421.0			420.0			424.0		
Exchange Rate Used in Computations				2,450.0			3,000.0			3,000.0			3,500.0			3,500.0		
CEILING FOR FY98 \$740.00 (W/O ICASS)				740.0			690.0			775.3			690.0			710.0		
CEILING FOR FY99 \$690.00 (W/O ICASS)																		
Under (Over) Budget Ceiling				0.0			0.0			(85.3)			0.0			(20.0)		

Environmental Compliance

In September 1997 Categorical exclusions under CFR 216.2(c) were issued for activities under Democratic Strengthening and Family Planning Services.

All initial environmental examinations (IEEs) and environmental assessments (EAs) are on file with USAID/Paraguay's Environment Team Leader. During the IEE review each Project Officer was provided with copies of the Automated Directives System (ADS) 204 guidance and a copy of 22 CFR 216 and given instructions on how to incorporate these regulations into Mission planning.

No activities are planned in FY 1998 that will require IEEs or EAs.

Appendix: List of Acronyms

ADR	Alternative Dispute Resolution
ADS	Automated Directives System
CDC	Centers for Disease Control
CEPEP	Paraguayan Center for Population Studies
CEPPRO	Paraguayan Center for Liberty and Social Justice Promotion
COPE	Client Oriented Provider Efficient
CP	Congressional Presentation
CYP	Couple Years of Protection
DA	Development Assistance
DAC	Development Assistance Committee
DAI	Development Alternatives Inc.
EAs	Environmental Assessments
EP3	Environmental Pollution Prevention Program
ESF	Economic Support Fund
EU	European Union
FMB	Moises Bertoni Foundation
FP	Family Planning
FY	Fiscal Year
GOP	Government of Paraguay
G/PHN	Global Bureau of Population, Health and Nutrition
GTZ	German Technical Cooperation Agency
ICASS	International Cooperative Administrative Support Services
ICJS	International Center for Judicial Studies of the Supreme Court
IDB	Inter-American Development Bank
IEC	Information, Education and Communication
IEEs	Environmental Examinations
IFES	International Foundation for Election Systems
IIDH	Inter-American Institute of Human Rights
IR	Intermediate Result
IPPF	International Planned Parenthood Federation
IUD	Intra-Uterine Device
IULA	International Union of Local Authorities
JICA	Japanese International Cooperation Agency
LAC	USAID's Bureau for Latin America and the Caribbean
LAN	Local Area Network
MAARDs	Modified Acquisition and Assistance Request Documents
MERCOSUR	Southern Cone Common Market
MOH	Ministry of Health
MSH	Management Sciences for Health
NCD	National Commission for Decentralization
NCSC	National Center for State Courts
NDI	National Democratic Institute
NGO	Non-Governmental Organization

NPS	National Probability Survey
NRHS	National Reproductive Health Surveys
OAS	Organization of American States
OE	Operating Expenses
OYB	Operating Year Budget
PAHO	Pan-American Health Organization
PSI	Population Services International
QSD	Quality Service Delivery
SINASIP	National System of Protected Areas
SUNY	State University of New York
TSJE	Electoral Tribunal
UIP	Paraguayan Industrial Union
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
USG	U.S. Government
WB	World Bank